

**EVALUATION OF THE CABINET DIRECTIVE ON THE ENVIRONMENTAL  
ASSESSMENT OF POLICY, PLAN AND PROGRAM PROPOSALS**

**Final Report**

Submitted to:

Canadian Environmental Assessment Agency  
160 Elgin Street, Ottawa, ON K1A 0H3

**June 30<sup>th</sup>, 2009**

Prepared by:



**Stratos Inc.**  
1404-1 Nicholas Street  
Ottawa, Ontario  
K1N 7B7  
tel: 613 241 1001  
fax: 613 241 4758  
[www.stratos-sts.com](http://www.stratos-sts.com)

**in cooperation with**

Alison Kerry, Environmental Management Consultant



and

Tom Shillington, Shillington & Burns Consultants Inc.



## **OUR VISION**

A world where decision makers at all levels integrate sustainability into their actions to improve ecological and human well-being.

## **OUR MISSION**

To provide business, governments and organizations with expert advice, information, and tools that will assist the development and implementation of more sustainable policies and practices.



We encourage you to print on recycled paper.  
Stratos uses 100% post-consumer content recycled paper.

## Acronyms and Abbreviations used in the report

<b>ADM</b>	Assistant Deputy Minister
<b>CEAA</b>	Canadian Environmental Assessment Agency
<b>CESD</b>	Commissioner of the Environment and Sustainable Development
<b>CIDA</b>	Canadian International Development Agency
<b>DFAIT</b>	Foreign Affairs and International Trade Canada
<b>FTE</b>	Full-time employee
<b>IC</b>	Industry Canada
<b>MOU</b>	Memorandum of Understanding
<b>NGO</b>	Non-government Organization
<b>NRCan</b>	Natural Resources Canada
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PCO</b>	Privy Council Office
<b>PPP</b>	Policies, Plans and Programs
<b>RIAS</b>	Regulatory Impact Analysis Statement
<b>SDS</b>	Sustainable Development Strategy
<b>SEA</b>	Strategic Environmental Assessment
<b>TBS</b>	Treasury Board Secretariat
<b>TC</b>	Transport Canada
<b>WEDC</b>	Western Economic Diversification Canada

## Acknowledgements

The Evaluation Team would like to thank the Evaluation Advisory Group, composed of Rachelle Besner (DFAIT), Peter Croal (CIDA), Rachid El Hafid (WEDC), Susan Masswohl (NRCan), and Glyn Moore (IC).

We would also like to thank the numerous other individuals who provided assistance to the project, including:

- Ann Clarke and Tim Smith, CEAA;
- All members of the Senior Management Committee on Environmental Assessment Subcommittee on Strategic Environmental Assessment;
- All interviewees who provided their insights on the accomplishments and challenges of implementing the Cabinet Directive;
- All those who participated in the electronic survey; and
- All departmental personnel who responded to our inquiries and requests for documentary evidence, and provided detailed insights and comments crucial to the development of this report and the associated appendices.

(Intentionally left blank)

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>IV</b>
<b>1 INTRODUCTION TO THE EVALUATION .....</b>	<b>10</b>
1.1 PURPOSE AND OBJECTIVES OF THE EVALUATION .....	10
1.2 BACKGROUND ON STRATEGIC ENVIRONMENTAL ASSESSMENT .....	11
1.2.1 <i>What is Strategic Environmental Assessment?</i> .....	11
1.2.2 <i>SEA practice in Canada</i> .....	13
1.3 SCOPE OF EVALUATION .....	20
1.4 EVALUATION APPROACH AND METHODOLOGY .....	22
<b>2 FINDINGS BY EVALUATION ISSUE.....</b>	<b>23</b>
2.1 RELEVANCE.....	24
2.1.1 <i>Overview</i> .....	24
2.1.2 <i>Successes and Challenges</i> .....	24
2.1.3 <i>Summary Assessment</i> .....	26
2.2 IMPLEMENTATION.....	26
2.2.1 <i>Overview</i> .....	26
2.2.2 <i>Successes and Challenges</i> .....	27
2.2.3 <i>Summary Assessment</i> .....	36
2.3 TRANSPARENCY, ACCOUNTABILITY, AND CAPACITY.....	37
2.3.1 <i>Overview</i> .....	37
2.3.2 <i>Successes and Challenges</i> .....	37
2.3.3 <i>Summary Assessment</i> .....	41
<b>3 CONCLUSIONS.....</b>	<b>42</b>
<b>4 RECOMMENDATIONS .....</b>	<b>46</b>
<b>APPENDIX A – CATALOGUE OF EVIDENCE</b>	
<b>APPENDIX B – LIST OF INTERVIEWEES AND INTERVIEW GUIDES</b>	
<b>APPENDIX C – E-SURVEY SUMMARY REPORT</b>	
<b>APPENDIX D – REFERENCE LIST OF SEA MATERIALS AND DOCUMENTATION</b>	
<b>APPENDIX E – CASE STUDIES</b>	

## Executive Summary

---

### Scope and Objectives of the Evaluation

This evaluation was undertaken in response to a recommendation by the Commissioner of the Environment and Sustainable Development (CESD) in 2004 that the Privy Council Office (PCO) evaluate the effectiveness of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*<sup>1,2</sup> (the Cabinet Directive). The results of this evaluation fulfill the government's commitment to complete an evaluation and may be used to inform the parliamentary review of the *Canadian Environmental Assessment Act*, scheduled for 2010.

This report presents the findings, conclusions and recommendations of a formative evaluation of the effectiveness of the Cabinet Directive. The evaluation seeks to:

- Determine the level and extent of integration of environmental considerations into policy, plan and program development as a result of the application of the Cabinet Directive;
- Measure the impact of this integration of environmental considerations into policy, plan and program development;
- Assess the extent to which the Cabinet Directive has been adhered to within government and how the Guidelines for Implementing the Cabinet Directive have been interpreted and implemented;
- Identify factors facilitating or impeding the implementation of the Cabinet Directive and the Guidelines; and
- Draw conclusions and make recommendations on how to strengthen and measure the integration of environmental considerations into policy, plan and program development.

---

<sup>1</sup> The Canadian Environmental Assessment Agency (CEAA) was given formal approval by the Privy Council Office to be the Project Authority for the evaluation.

<sup>2</sup> The Cabinet Directive can be viewed at: [http://www.ceaa.gc.ca/016/CEAA-StrategicFinal\\_e.pdf](http://www.ceaa.gc.ca/016/CEAA-StrategicFinal_e.pdf)

## Conclusions

1. SEA continues to be relevant. The federal government will need to continue to develop and apply means of promoting and ensuring the integration of environmental considerations into the development of its policies, plans and programs.
2. Overall, however, SEA has had little demonstrable impact to date in contributing to the federal government's environmental priorities and needs. There is little evidence that SEA is optimizing the positive, and/or in minimizing the negative, environmental effects of the government's policies, plans and programs.
3. There is a lack of consensus among SEA practitioners on whether the current instrument (Cabinet Directive) is the best method to achieve the goal of more environmentally-sustainable policies plans and programs.
4. Performance with respect to SEAs varies greatly across government, with some departments having put in place processes to achieve many of the immediate and intermediate outcomes that SEA is designed to achieve. Similarly the quality of SEAs conducted varies significantly, sometimes within the same department.
5. Where the Directive is applied, the SEA is typically undertaken late in the policy, plan and program development process; it does not include an adequate analysis of options for meeting policy, plan and program objectives, or the range of environmental implications, including cumulative effects.
6. The SEA process is driven by the Cabinet documentation process. Departments are having greater success integrating environmental considerations into plans than into policies and programs because the process for developing plans is usually more predictable, longer-term and less top-down driven. Under this framework the Cabinet Directive does not apply to some major government policy decisions that do not come forward to Cabinet by means of a Memorandum to Cabinet.
7. Departments and agencies that are in accordance with the Directive have developed internal guidance on both process and substance that is closely aligned with the Directive, provide technical support to their policy analysts, track and report on their SEAs, and specify roles, responsibilities and accountabilities.
8. Federal SEA practice has not achieved the benefits of considering environmental factors early in the development of policy, plan and program proposals that are identified in the Guidelines.
9. Accountabilities for applying the Directive are clear in most departments.

10. The current SEA practice based on distributed responsibilities and self-evaluation does not receive sufficient oversight and support from central agencies to be effective. As well, there are few consequences to departments for inadequately implementing SEA (other than the occasional audit of performance).
11. Five years after a requirement for greater transparency was added to the Directive, most departments still do not provide the level of transparency expected in the process.
12. Many departments do not have, or do not deploy, the capacity (knowledge and expertise) or time needed to integrate environmental factors fully into their internal or Cabinet policy, plan, and program development processes.
13. A lack of dedicated resources (capacity or time) poses only a minor barrier to more effective SEAs today. Existing resource levels may become a more important barrier once departments make a greater commitment to applying the Directive as intended.
14. The Directive and Guidelines do not provide sufficient or clear enough guidance to practitioners in several areas such as: how to use SEA to streamline project-level assessments; how to complete multi-departmental SEAs; how to determine an important environmental effect, and how to address cumulative environmental effects.
15. Environment Canada is not providing, or not being required to provide if specifically requested by departments and agencies, the expected "expert policy, technical and scientific analysis and advice on sustainable development and the potential environmental effects of policy, plan and program initiatives", despite the Cabinet Directive giving it an explicit role to do so.
16. CEAA is not providing sufficient process support (e.g., training, network of practitioners, and documentation of best practices) to departments.

## Recommendations

The evaluation recommends that the federal government reaffirm the importance of SEA in the federal policy, plan and program development process. The goal should be to support and strengthen the original purpose of the Cabinet Directive – to facilitate the integration of environmental factors in the way departments and agencies function.

The government should revise the Directive to shift emphasis from performing SEAs on policies, plans and programs *after* they have been developed, to integrating environmental considerations *into their design, development, implementation, and follow-up*. This would turn the Directive from an instrument for environmental assessment into one for sustainability assessment.

Specific initiatives to support this over-arching recommendation include:

### *Cabinet Directive and Guidelines*

1. CEAA, with the support of PCO and Environment Canada, and in consultation with other departments, should redraft the Cabinet Directive to reaffirm the relevance of SEA and to clarify the goals, objectives and outcomes of applying the Cabinet Directive.
2. CEAA, with the support of PCO and Environment Canada should task an interdepartmental committee to explore whether there is a need to introduce supplementary tools (e.g. legal reform) to improve SEA performance so that it can make a more meaningful contribution to the policy, plan and program development process by ensuring that environmental considerations are fully integrated with economic and social considerations.

### *Accountability*

3. PCO, with CEAA's assistance, should strengthen accountability for the implementation of SEA by:
  - Determining an explicit role for an organization to monitor the compliance of SEA implementation government-wide with established consequences for non-compliance.
  - Creating more explicit accountability measures (e.g. for Deputy Ministers and other senior officials) in the Cabinet Directive for departmental SEAs.
  - Asking the CESD to conduct an audit of the revised process within three years.

### *Quality*

4. The Minister of the Environment with the approval of the Government-in-Council should strengthen the quality of SEA development by:
  - Requiring CEAA to clearly articulate the outcomes the Directive is intended to achieve and related performance metrics (for central agencies and participating departments/agencies), and integrating these in departmental performance frameworks such as Management Accountability Frameworks.
  - Directing all departments and agencies to institute greater quality assurance procedures to promote both the early implementation of SEA and more rigorous consideration of environmental factors in the development of policies, plans and programs.
  - Directing CEAA to provide more support to departments in ensuring quality by providing and sharing best practices.

#### Guidance

5. CEAA should improve guidance to SEA practitioners by:
  - Providing greater clarity around key methodological challenges.
  - Clarifying and broadening the guidance for the development and issuance of public statements.
  - Indicating how to link SEAs to the achievement of the goals and targets to be developed under the *Federal Sustainable Development Act* and developing performance indicators to track the effectiveness of the measures proposed.
  - Developing, in conjunction with departments with environmental expertise, a guidance document or MOU that clearly explains what assistance these departments can provide and how this assistance can be accessed.

#### Capacity

6. CEAA should develop an explicit strategy to build up the SEA capacity of the federal government by:
  - Providing more rigorous training to departments and agencies.
  - Creating a stronger community of practice among federal and non-federal SEA practitioners (e.g., through workshops on best practices, resolving common challenges, applying new tools and methodologies) that can build on existing efforts and strengthen linkages to project-level environmental assessment.
  - Developing Terms of Reference for the SEA Sub-committee of the Senior Management Committee on Environmental Assessment to become the principal vehicle for developing government-wide guidance on SEA practice and for ensuring common interpretation of the Cabinet Directive. This Terms of Reference should clearly identify the mandate, goal, and objectives of the Sub-Committee, identify a Chair, and highlight expected outputs and outcomes.

- Establishing and maintaining a clearing house (i.e. a central location for the collection, maintenance, and distribution of materials, information, etc.) for monitoring and tracking the completion of SEAs and the posting of associated public statements.
- Supporting the creation of a specific internal capacity in PCO and Treasury Board Secretariat (TBS) to assist their analysts in reviewing the SEA components of policy, plan and program proposals submitted for decision.

---

## 1 Introduction to the Evaluation

---

### 1.1 Purpose and Objectives of the Evaluation

This evaluation was undertaken in response to a recommendation by the Commissioner of the Environment and Sustainable Development (CESD) in 2004 that the Privy Council Office (PCO) evaluate the effectiveness of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*<sup>3</sup> (the Cabinet Directive). This report fulfills the government's commitment to complete an evaluation and may also be used to inform the parliamentary review of the *Canadian Environmental Assessment Act*<sup>4</sup>, scheduled for 2010.

As a formative evaluation, the objectives of this assessment were to:

- Determine the level and extent of integration of environmental considerations into policy, plan and program development as a result of the application of the Cabinet Directive;
- Measure the impact of this integration of environmental considerations into policy, plan and program development;
- Assess the extent to which the Cabinet Directive has been adhered to within government and how the Guidelines for Implementing the Cabinet Directive have been interpreted and implemented;
- Identify factors facilitating or impeding the implementation of the Cabinet Directive and the Guidelines; and
- Draw conclusions and make recommendations on how to strengthen and measure the integration of environmental considerations into policy, plan and program development.

This report is organized in four main sections:

- **Section 1** outlines the purpose and objectives of the evaluation, provides an introduction to the Cabinet Directive, and includes a summary of the evaluation methodology;
- **Section 2** documents the evaluation findings across the evaluation's three major areas of inquiry;
- **Section 3** presents the evaluation conclusions; and
- **Section 4** provides recommendations.

In addition, the report includes a number of Appendices that form the information base for the evaluation's key findings and conclusions including:

---

<sup>3</sup> The Cabinet Directive can be viewed at: [http://www.ceaa.gc.ca/016/CEAA-StrategicFinal\\_e.pdf](http://www.ceaa.gc.ca/016/CEAA-StrategicFinal_e.pdf)

<sup>4</sup> The Canadian Environmental Assessment Act can be viewed at:  
<http://laws.justice.gc.ca/en/ShowFullDoc/cs/C-15.2///en>

- a detailed summary of information collected from a document review of SEA material and 67 key informant interviews (Appendix A);
- a compilation of interview guides that facilitated the key informant interviews (Appendix B);
- a summary report from an electronic survey that was distributed to federal employees with a responsibility for completing SEAs (Appendix C);
- a list of documents reviewed over the course of the evaluation (Appendix D); and
- a summary of the analysis of four case studies (Appendix E).

## **1.2 Background on Strategic Environmental Assessment**

### **1.2.1 What is Strategic Environmental Assessment?**

The environmental assessment of policy, plan and program proposals is commonly referred to as SEA. SEA is a decision-making tool used to incorporate environmental considerations into the design and implementation of public policies and programs. Its objective is to lead to policies and programs that are more environmentally-sustainable. SEA is intended to help departments achieve their goals and objectives and contribute to the federal government's commitment to sustainable development.

The main benefits of integrating environmental considerations into policy development are that: (i) it enables governments to anticipate and prevent environmental degradation and thus reduce the remedial costs of policy implementation; and (ii) it enhances the long-term productivity of natural resources. At its core therefore, SEA is about sound policy-making, that is, providing decision-makers with the information they need to make informed decisions so that they can enhance beneficial effects as well as avoid and mitigate adverse ones.

The International Study of the Effectiveness of Environmental Assessment<sup>5</sup> defines SEA as a

*systematic, proactive process for evaluating the environmental consequences of policy, plan or programme proposals in order to ensure that they are fully included and addressed at the earliest appropriate stage of decision-making on a par with economic and social considerations.*

SEA is not simply project environmental assessment carried to another level. Notwithstanding its name, it should be used to *inform* policy or program formulation and not be limited to an *assessment* of a proposal's environmental impacts after a proposal has been developed. Many observers argue that, because policy development is a more fluid, multi-dimensional and intangible process, the SEA of policies is fundamentally

---

<sup>5</sup> International Study on the Effectiveness of Environmental Assessment (1996) Final Report: Environmental Assessment in a Changing World (Canadian Environmental Assessment Agency, International Association for Impact Assessment)

different from the assessment of plans and programs, and therefore requires different approaches.

More so than project-level environmental assessment, SEA confronts a number of challenges. These include:

- *Identification of long-range impacts:* It is often difficult to predict environmental impacts even in the case of well-delineated physical projects. Where impacts are more remote in time and space, where the chain of cause and effect is correspondingly longer, and where the implementation of the policy, program or plan is not fully articulated, it will become increasingly difficult to anticipate environmental effects and incorporate appropriate mitigation measures.
- *Trading off environmental, economic and social considerations:* While SEA forces the consideration of environmental factors early in the development process, the tools for analysing the combined economic, social and environmental effects of a proposal remain poorly-developed. Tools such as cost-benefit analysis and multiple attribute analysis are helpful but fall short of providing a commonly-agreed metric for aggregating and comparing environmental, social and economic considerations. None of the tools currently applied is capable of rigorously addressing trade-offs.
- *Consideration of environmental goals and standards:* All consideration of environmental impact must address the issue of standards and make a determination of what is an acceptable harm or benefit (e.g., how “clean” should clean be?). Such a determination requires the definition of environmental goals and standards that indicate what is acceptable and what is not. While such goals and standards can take many different forms ranging from ambient concentration levels for selected pollutants to policy commitments to set aside a predetermined percentage of a country’s surface as protected areas, they do not exist in every area where SEAs are conducted.

On the other hand, SEA also offers several possible benefits over project-focused assessment, including:

- Scope to address cumulative effects effectively and efficiently;
- Sufficient breadth to permit the systematic identification and review of a broad range of potentially desirable options, including options that maximize multiple, mutually reinforcing gains and avoid trade-offs; and
- Potentially sufficient scope, authority and credibility to establish clear guidance for the development and environmental assessment of subsequent undertakings.

It is important to underline that the introduction of a SEA process does not imply that environmental factors will necessarily trump others in policy-making. Decision-makers remain free to make trade-offs based on the considerations relevant at the time. An effective SEA process, however, can help make these trade-offs more transparent and make decision-makers accountable for them.

### **1.2.2 SEA practice in Canada**

SEA has its roots in the recognition that environmental strategies that anticipate and prevent adverse impacts are often more effective and less expensive than strategies that react to and try to cure these same impacts. In 1987, in its report making the case for a new development paradigm founded on sustainability, the Brundtland Commission argued strongly for environmental factors to be given the same weight and considered at the same time as social and economic factors in decision-making. Moreover, the Brundtland Commission underlined that ecological and socio-economic objectives are interdependent and need to be pursued together in mutually supportive ways. This thinking influenced the federal government to require SEAs on all relevant Cabinet proposals starting in 1990. Cabinet updated this requirement in 1999 and again in 2004. The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* clarifies the obligations of departments and agencies and links SEA to the implementation of sustainable development strategies (SDSs).

As a member of the Organization for Economic Cooperation and Development (OECD), Canada has also committed to adhering to the Development Assistance Committee's *Policy Statement on Strategic Environmental Assessment*<sup>6</sup> for its bilateral activities and initiatives.

The Canadian SEA process can be characterized as follows:

- SEA is a *non-legislated process* but it is not a voluntary one, as the Cabinet Directive stipulates when SEAs are to be conducted.
- SEA is a *selective process*. While ideally, SEA would be applied to all policy, plan and program decisions, resource and time constraints dictate a more selective application. In the Canadian context, SEA applies to any proposal submitted to an individual Minister or Cabinet for approval, when implementation of the proposal may result in important environmental effects; these proposals could be in the form of, for example, Memoranda to Cabinet, submissions to Treasury Board and Regulatory Impact Analysis Statements (RIAS).
- SEA is a *self-assessment process*. Departments are responsible for conducting their own assessments. PCO and TBS officials will often verify that SEAs have been conducted, but have no explicit responsibility to do so. The Directive requires departments and agencies to publish a public statement for their detailed SEAs.
- Within the broad guidelines of the Cabinet Directive, individual departments have *customised* SEA processes to meet their specific needs.
- Because of its association with Cabinet documents, SEA is also largely conducted *behind closed doors*.

---

<sup>6</sup> To view the policy please visit: <http://www.oecd.org/dataoecd/32/55/40909638.pdf>

SEA practice varies substantially across the federal government, with some departments having developed management systems and various internal tools, while others are still considering how to incorporate environmental considerations in the development of their policies, plans and programs. These differences imply that barriers to SEA are not generic and also provide case studies of good practices from which to learn. They also illustrate the value of a management systems approach to SEA that ranges from clear guidance and accountability to performance monitoring in order to achieve strong results.

Over the last decade, the Canadian Environmental Assessment Agency (CEAA) has been supporting SEA practice in the federal government by increasing awareness of the Cabinet Directive across the government, offering training courses, providing case-by-case advice, commissioning case studies and research, and organizing an interdepartmental network of practitioners. In addition, guidance documents on the preparation of Cabinet memoranda, TB submissions and RIAs include references to SEA.

The CESD has audited the federal SEA process twice. In 2004, the CESD listed several factors that were adversely affecting SEA practice in the federal government, including insufficient senior management commitment in individual departments, insufficient central agency oversight, incomplete methodological guidance, limited integration into decision-making and inadequate training. Other studies<sup>7</sup> have come to similar conclusions.

### **Program Purpose, Application and Principles**

The **purpose** of SEA in the Canadian government is to integrate economic, social and environmental considerations into the development of public policies, plans and programs. Through SEA, environmental considerations are to be addressed at the earliest appropriate stage of planning, at the same time as economic and social considerations.

The **intended benefits** of SEA are to optimize positive environmental effects and minimize or mitigate negative environmental effects; consider potential cumulative environmental effects; implement sustainable development strategies, save time and money by streamlining project-level environmental assessment; promote accountability and credibility among the public and stakeholders; and contribute to broad governmental policy commitments and obligations.

SEAs are to be conducted by all federal departments and agencies when the following two conditions are met:

---

<sup>7</sup> See for example Wilburn (2005) Strategic Environmental Assessment, Sustainable Development and Good Governance. Thesis submitted in support of a Masters of Art, Royal Roads University.

1. The proposal is submitted to an individual minister or Cabinet for approval (e.g., Memoranda to Cabinet, submissions to Treasury Board and Regulatory Impact Analysis Statements); and
2. Implementation of the proposal may result in important environmental effects, either positive or negative.

The guiding principles in applying the Cabinet Directive are

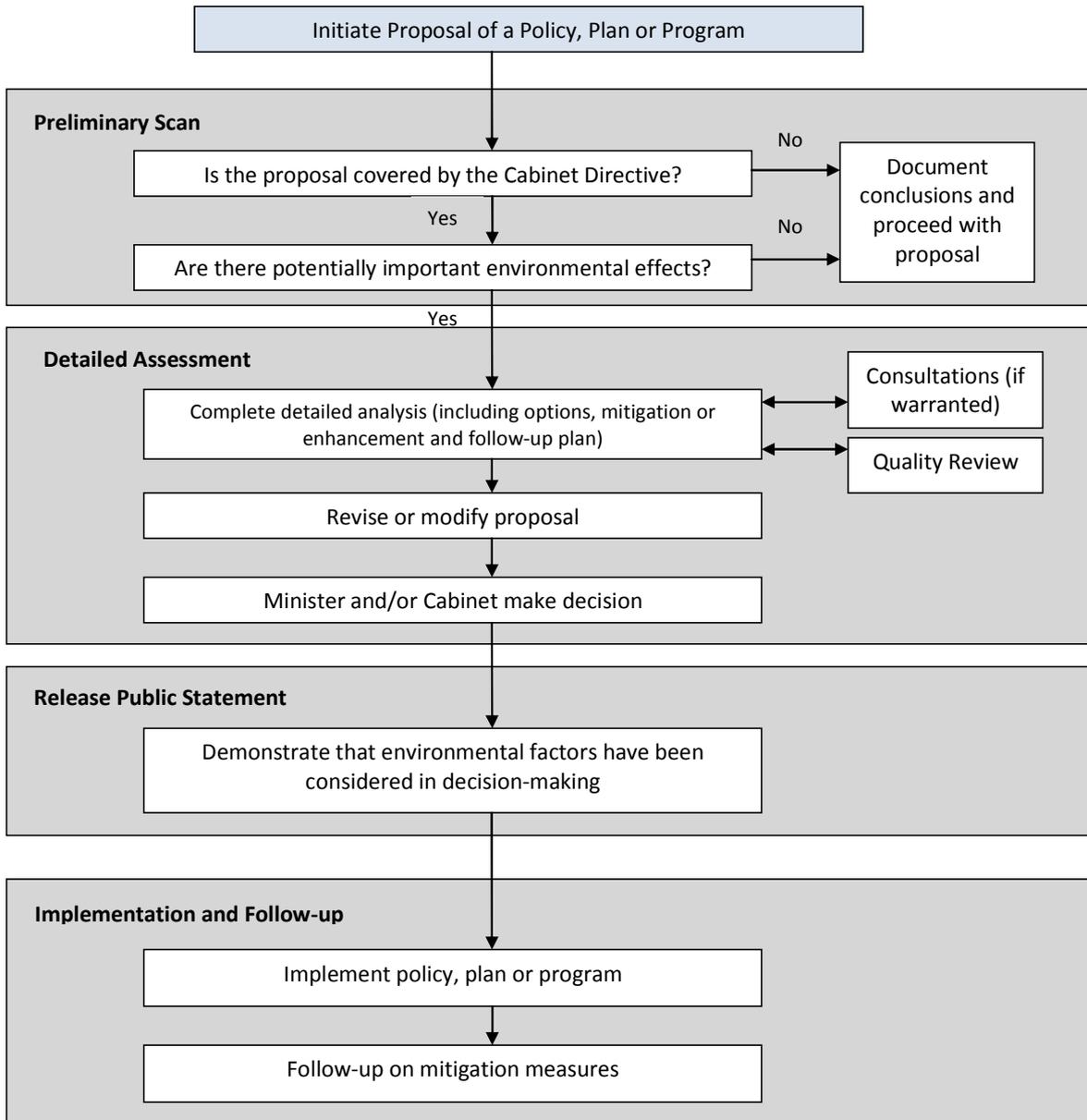
1. Early integration – the consideration of environmental effects should begin early in the conceptual planning stages.
2. Examine alternatives – the environmental effects of alternatives should be evaluated and compared in the development of a new policy, plan or program.
3. Flexibility – Departments have discretion in determining how to conduct SEAs.
4. Self-assessment - Departments are responsible for conducting their own assessments.
5. Appropriate level of analysis - The level of effort in conducting SEAs should be commensurate with the level of anticipated environmental effects.
6. Accountability – SEA should be part of an open and accountable decision-making process. While SEA usually applies to secret-classified documents, resulting in assessments largely being conducted *behind closed doors*, as of January 2004, the Directive requires the publication of a Public Statement for detailed SEAs; and
7. Use of existing mechanisms – Departments should use existing mechanisms to conduct SEAs, including assessment, public involvement, evaluation and reporting.

**Figure 1** on the following page illustrates the generic steps in the federal SEA process<sup>8</sup>:

---

<sup>8</sup> Sources: Adapted from 2004 Report of the Commissioner of the Environment and Sustainable Development, Chapter 4, Exhibit 4.4, and *Guidelines for Implementing the Cabinet Directive*, published by the Privy Council Office and the Canadian Environmental Assessment Agency (2004).

**Figure 1 - Generic Steps in the Strategic Environmental Assessment Process**



## Participants in the SEA Process

The following are the key stakeholders in the federal SEA process:

*Cabinet:* When a policy, plan or program is submitted to Cabinet, Ministers are collectively responsible for ensuring that decisions fully reflect the environmental implications of the initiative.

*Ministers:* Individual Ministers are responsible for ensuring that the environmental consequences of their policies, plans and programs are considered consistent with the government's broad environmental objectives and sustainable development goals.

*The Minister of the Environment:* The Minister has a leadership role in establishing the environmental framework for Canada, and in promoting the application of SEA. The Minister also is responsible for advising other Ministers on potential environmental considerations of proposals before Cabinet decisions are taken, and for advising on environmentally appropriate courses of action.

*CEAA:* CEAA is responsible for promoting the application of SEA to policy, plan and program proposals of the federal government. In consultation with other departments and agencies, the Agency is to provide guidance and training to improve the implementation of SEA.

*Environment Canada:* Environment Canada is responsible for providing expert policy, technical and scientific analysis and advice on sustainable development and the potential environmental effects of policy, plan and program initiatives.

*Departmental and Agency Officials:* Officials are responsible for conducting SEAs - ensuring that environmental considerations are properly integrated into the development of policy, plan and program proposals. When a proposal is presented for decision, officials are to ensure that, when appropriate, an assessment of the potential environmental effects of a policy, plan or program is completed for each viable option presented. Departmental and agency officials are encouraged to report on their SEAs of policies, plans, programs in their SDSs.

*CESD:* Under the *Auditor General Act*, the CESD is responsible for overseeing the government's efforts to protect the environment and promote sustainable development. The CESD holds government accountable for greening its policy, operations and programs and will review progress in the implementation of departments and agencies SDSs. The CESD has conducted two audits of the Cabinet Directive's implementation to date<sup>9</sup>.

---

<sup>9</sup> To view the full audit reports visit: [http://www.oag-bvg.gc.ca/internet/English/cesd\\_fs\\_e\\_921.html](http://www.oag-bvg.gc.ca/internet/English/cesd_fs_e_921.html)

In addition, two other agencies not mentioned in the Directive play a role in implementing the SEA process. However, their roles have not been formally defined. They are:

*PCO and TBS:* These central agencies maintain a responsibility for ensuring that the requirements of the Cabinet Directive are met<sup>10</sup>. They serve as secretariats to Cabinet committees to ensure that due process is followed by sponsoring departments when submitting proposals for Cabinet consideration.

Non-federal organisations that have an interest in the SEA process because of its implications for specific policies, plans or programs and can therefore also be considered stakeholders include representatives from provincial and territorial governments; Aboriginal interests; project proponents, industrial sectors, public interest organizations and concerned citizens.

### **Resources**

Departments and agencies have not received additional resources specifically to conduct SEAs. As SEAs are supposed to be embedded in the development of policies, plans and programs, it is often extremely difficult to identify the precise resources departments allocate to the consideration of environmental factors in this assessment process.

### **Expected Outcomes**

The following logic model (**Figure 2**) portrays what the Cabinet Directive aims to achieve through SEA, using the standard results-based Treasury Board format. It was drafted based on the contents of the Cabinet Directive to guide the evaluation process. While it has been reviewed by the Evaluation Advisory Committee, it has not been vetted and approved by the key stakeholders responsible for SEA in the federal government. Therefore it does not represent an "approved" logic model for the Cabinet Directive.

---

<sup>10</sup> An authoritative source that formally describes PCO's role does not exist. A report by the House of Commons Environment and Sustainable Development Committee, *Sustainable Development and Environmental Assessment: Beyond Bill C-9* states: "PCO has declined responsibility for implementing the 1990 and 1999 Cabinet Directive, relying on the Agency, which has virtually no authority to ensure that federal departments comply (House of Commons, June 2003, p.36).

**Figure 2 – Logic Model for the Cabinet Directive**

<b>Ultimate Outcome:</b>				
Environmentally sustainable plans, policies and programs that anticipate, prevent and reduce environmental degradation, enhance the long-term productivity of natural resources, and reduce potential environmental liabilities.				
<b>Intermediate Outcomes:</b>				
<ul style="list-style-type: none"> <li>Decision-makers integrate environmental factors into policy, plan and program proposal development, along with economic and social factors, thereby promoting sustainable development.</li> <li>Policy, plan or program proposals are improved to optimize positive environmental effects and minimize negative effects.</li> <li>Project level EA is streamlined.</li> </ul>				
<b>Immediate Outcomes:</b>				
Consideration of environmental effects is integrated into the selection among options and the detailed development of proposals before proposals are finalized.	Public concerns are identified and considered where appropriate.	Alternative options are considered. Environmental effects of proposals are identified and assessed and integrated into proposals. Cumulative effects of proposals are considered. Appropriate mitigation and enhancement measures are identified.	Decision-makers are aware of potential environmental effects, risks and opportunities of proposals.	Management systems are in place for implementation of SEA according to Cabinet Directive.
<b>Outputs:</b>				
Preliminary scans; Matrices / checklists.	Expert reviews and input.	Detailed assessments; Literature reviews; Models and scenarios; Simulation analyses; Follow-up plans; country development policy frameworks, international development programs	SEA statements in MCs, TB Subs, RIAs; Public Statements; SDSs sections; DPRs/RPPs sections.	Accountability structures; Proposal tracking systems; Training & guidance for staff.
<b>Activities:</b>				
Conduct internal scan of policy, plan or program proposal.	Seek expert advice on potential environmental effects and understand public concerns where appropriate. Ensure public reporting at least at the end of the process.	Conduct detailed analysis of environmental effects, including cumulative effects, where warranted.	Follow-up on prescribed mitigation and enhancement measures and report on results of SEA process.	Provide guidance and management of SEA process.

### 1.3 Scope of evaluation

To build the necessary evidence to comment on the evaluation's objectives, the evaluation focused on exploring three key areas related to (1) relevance, (2) implementation, and (3) transparency, accountability and capacity. This was accomplished by answering a number of questions for the application of the Cabinet Directive as a whole and departmental activities. The key questions assessed by the evaluation were:

- Is the Cabinet Directive consistent with and contributing to federal government environmental priorities and actual needs? (*relevance*)
- Are the most appropriate, effective and efficient means being used to achieve outcomes? (*implementation*); and
- Is the process developed from the policy requirement transparent? Are accountabilities clear within government? Is the policy designed and delivered in the best possible way? (*transparency, accountability, and capacity*)

**Table 1** on the following page presents the list of questions that were designed to address each specific evaluation question.

**Table 1 – Evaluation Questions**

<b>Key Evaluation Question</b>	<b>Supplementary Evaluation Questions</b>
<p><i>Relevance:</i></p> <p><i>Is the Cabinet Directive consistent with and contributing to federal government environmental priorities and actual needs?</i></p>	<ol style="list-style-type: none"> <li>1. Are current SEA requirements leading to improved initiatives that deliver positive steps towards sustainability? Do SEAs help achieve sustainable development targets and goals at the government or department wide levels?</li> <li>2. Do decision makers feel that SEA is relevant to the development of policies, plans and programs (PPP)? Is there common agreement / understanding of when and how to apply SEA?</li> <li>3. Does the Cabinet Directive duplicate other risk assessment/management accountability frameworks in the federal government?</li> <li>4. Is there a continued need for implementing the Cabinet Directive and its Guidelines to ensure that environmental and sustainability considerations are integrated into the development of PPP?</li> </ol>
<p><i>Implementation:</i></p> <p><i>Are the most appropriate, effective and efficient means being used to achieve outcomes?</i></p>	<ol style="list-style-type: none"> <li>5. Are departments conducting SEAs when developing PPP for Ministerial or Cabinet approval when appropriate?</li> <li>6. Are environmental considerations being integrated early enough into the development process to affect decision-making? Are the environmental effects of alternatives being considered?</li> <li>7. Do SEAs provide decision-makers with an appropriate level of information to make informed decisions that benefit the environment and promote sustainability?</li> <li>8. Has the application of the Cabinet Directive influenced policy, plans and program proposal outcomes? Is the application of the Cabinet Directive changing the conception, selection and design of PPP?</li> <li>9. Do departments ensure the quality of their preliminary scans or detailed SEAs?</li> <li>10. Do departments follow up their SEAs and monitor the implementation of the PPP to determine whether there are unexpected environmental consequences?</li> <li>11. What are the key successes and challenges at the departmental level (i.e., what is working well, what are key success factors)?</li> <li>12. What have been the environmental benefits of conducting SEAs?</li> <li>13. Are there any positive or negative unexpected consequences associated with conducting SEAs?</li> <li>14. Is the Cabinet Directive leading to more and better attention to cumulative effects? Are SEAs accounting for cumulative effects effectively?</li> <li>15. Do SEAs effectively address issues in project level planning and assessments? Is the resulting guidance presented in SEAs useful in project development and review?</li> <li>16. Is the current self assessment model working? Are there alternative approaches for integrating environmental considerations into the development of PPP?</li> </ol>
<p><i>Transparency and Accountability:</i></p> <p><i>Is the process developed from the policy requirement transparent where possible? Are accountabilities clear within government?</i></p> <p><i>Capacity:</i></p> <p><i>Is the policy designed and delivered in the best possible way?</i></p>	<ol style="list-style-type: none"> <li>17. Are responsibilities and accountabilities for implementing SEA within departments across the federal government clear and appropriate? Are management systems and structures operating effectively?</li> <li>18. Is support (e.g. tools, training, guidance) provided by Departments or the Agency useful and is helping departments implement the Cabinet Directive?</li> <li>19. How do departments reflect public and stakeholder concerns in their SEAs? What are the limitations to addressing stakeholder interests (e.g., Cabinet confidentiality)?</li> <li>20. Is the government transparent about the environmental analysis conducted in a SEA? Are SEA results and analysis made available to the public?</li> <li>21. Are there sufficient resources being allocated to implementing the Cabinet Directive? What resources are required?</li> </ol>

### Scope and Audience

The **scope** of the evaluation focuses on the period from 2004 to March 31, 2009. It covers the progress made in implementing the Directive, the processes put in place government-wide and at the departmental level to implement it, the impacts of the Directive on decision-making in associated policies, plans and programs, and the environmental outcomes achieved.

The **primary audience** for this evaluation includes organizations responsible for the management and implementation of the Cabinet Directive within the federal government. This evaluation aims to provide decision makers with an appropriate level of information to determine whether any changes are required with respect to the approach and delivery of the Cabinet Directive at the government-wide level. These organizations include CEAA, PCO and TBS.

The **secondary** audience for this evaluation includes senior managers, program and policy analysts, and SEA practitioners in departments and agencies responsible for completing SEAs as part of the development of their policies, plans and programs.

The **tertiary** audience for this evaluation includes Members of Parliament and the Canadian public.

The evaluation covered 23 departments and agencies (see Figure 3). CEAA and PCO also participated in the evaluation.

**Figure 3 - Participating Departments and Agencies**

<p>Agriculture and Agri-food Canada            Atlantic Canada Opportunities Agency            Canada Economic Development for Quebec Regions            Canadian International Development Agency            Citizenship and Immigration Canada            Canadian Revenue Agency            Environment Canada            Finance Canada            Fisheries and Oceans            Foreign Affairs and International Trade            Health Canada            Indian and Northern Affairs Canada</p>	<p>Industry Canada            Infrastructure Canada            Justice Canada            National Defence            Natural Resources Canada            Parks Canada            Public Health Agency of Canada            Public Works and Government Services Canada            Treasury Board Secretariat            Transport Canada            Western Economic Diversification Canada</p>
---	---

### 1.4 Evaluation Approach and Methodology

The evaluation is formative in nature. It aims to measure progress towards achieving impact and results and the efficiency and effectiveness of the current approach to delivering the Cabinet Directive at both the departmental and government-wide levels.

The evaluation is evidenced-based, that is, its conclusions and recommendations are based on objective, quantitative and documented evidence to the fullest extent possible. Where possible, findings and conclusions were drawn from documentary evidence.

However, information obtained from interviews was incorporated into the evaluation to provide context for formulating findings and conclusions when documentary evidence was not available.

The evaluation was conducted in accordance with the work plan described in the Evaluation Framework dated October 24, 2008, prepared by Stratos Inc. The major project phases included:

- Phase I: Evaluation Planning;
- Phase II: Data Collection and Review;
- Phase III: Analysis and Development of Findings;
- Phase IV: Debriefing; and
- Phase V: Reporting.

The evaluation process involved gathering multiple perspectives across multiple lines of enquiry, including:

- A file and document review of SEA-related documents from all participating departments and central agencies;
- Key informant interviews with **32** analysts, **24** managers, **7** representatives from CEAA and PCO, and **4** relevant external stakeholders;
- An online survey that was completed by **43** SEA practitioners, and policy analysts and managers responsible for the completion of SEA in their respective departments;
- A review of **24** SEA Reports associated with Memoranda to Cabinet and **14** associated with Ministerial approvals;
- **4** case studies analyzing the process and impact of specific SEAs; and
- A **Focus Group** designed to inform the evaluation's conclusions and recommendations.

Departmental personnel validated all findings from this evaluation, and a presentation was held to debrief key managers from CEAA, Environment Canada, and the PCO (to be completed).

## **2 Findings by Evaluation Issue**

---

This section provides evaluation findings for each of the key evaluation areas outlined in Table 1. Evaluation findings for each evaluation area are organized in a parallel format, documenting:

- A brief introductory **overview** of the key area of analysis and where possible, the identification of the expected outcomes associated with the program area as articulated in the program profile;

- A discussion of the key **successes and challenges** relevant to each evaluation question; and
- An **assessment** of the extent to which the Cabinet Directive is achieving its expected outcomes.

## **2.1 Relevance**

### **2.1.1 Overview**

The purpose of SEA is to integrate the environmental considerations into the development of policies, plans and programs<sup>11</sup>. As previously noted in Section 1.2.3, an SEA should be completed when the following conditions are met:

- A proposal is submitted to an individual minister or Cabinet for approval; and
- Implementation of the proposal may result in important environmental effects, either positive or negative.

SEA is a self-administered process where departments and agencies have the flexibility to conduct SEAs in accordance with their own processes, providing these are consistent with the Cabinet Directive and its guiding principles. SEA is intended to help departments achieve their goals and objectives and contribute to the federal government's commitment to sustainable development.

### **2.1.2 Successes and Challenges**

#### *1. Continued Need and Relevance*

The evaluation found that there is a demonstrable need to continue to address the environmental implications of federal policies, plans and programs. A strong consensus exists in favour of a continued requirement to complete SEAs among federal departments and agencies.

Despite this consensus, departments reported different opinions regarding the relevance of the Cabinet Directive to their policies, plans and programs. For example, departments with a resource or economic development mandate tend to consider SEA to be relevant to their analyses. By contrast, departments with a conservation mandate suggest that SEA adds little value to their policies, plans and programs because the environment is already an inherent component of their corporate culture and mandate. For their part, regional development agencies found it difficult to apply the Cabinet Directive given that their mandate is largely responsive and that their role is primarily to provide federal financial contributions at the project level. Departments with a social mandate found it most difficult to incorporate SEA to their decision-making processes.

---

<sup>11</sup> Cabinet Directive p.2.

## 2. Contributions to Sustainable Development and Other Government Processes

Departments have demonstrated minimal success in applying the *Cabinet Directive* to implement the goals and targets identified in their SDSs. Detailed SEAs are required to consider how a particular policy, plan or program proposal supports a department or agency's sustainable development goals. The Evaluation Team reviewed 17 detailed SEA reports from eight different organizations. From this review, it appears that each organization includes in its SEA template (or supplementary guideline/handbook) a prompt for analysts to consider whether the proposed policy, plan or program supports their organization's SDS goal or objective. Only four of the organizations included in this evaluation explicitly addressed the relationship between the proposed initiative and their respective SDS. No evidence was found to suggest that departments are calling on Environment Canada to play a role in helping them integrate SEAs to SDSs. Interviewees noted that the federal SDS process and reporting structure provide an opportunity for reporting on the implementation of mitigation or enhancement measures of policy, plans or programs that have detailed SEAs associated with them.

The evaluation noted instances where departments have assigned the responsibility for contributing to or completing SEAs and SDSs to the same individual or centralized group/directorate within their organization. These departments were more successful in making the link between their organization's SDS goals and targets and their SEA analyses.

Application of the Cabinet Directive does not appear to duplicate other departmental processes such as corporate risk management or activities completed to meet the expectations of other directives such as the *Cabinet Directive on Streamlining Regulation*. Survey respondents and interviewees do not believe that the effort required to complete SEAs is duplicated elsewhere.

## 3. Application across Government

Across government, there is no common and consistent understanding of when and how SEA should be applied to the policy, plan and program proposal development process. The evaluation noted a discrepancy in terms of the approaches to completing preliminary scans and detailed environmental assessments.

A review of 38 SEA reports, split almost evenly between preliminary scans and detailed SEAs, found that while a majority of both types of SEAs addressed most of the requirements of the Directive, only a very small number actually addressed all of the required questions or factors for that particular type. For example, the evaluation determined that even in detailed SEAs that were otherwise

### Linkages to SDS

In a Memorandum to Cabinet on a proposed international agreement, the Department of Foreign Affairs and International Trade made an explicit link to how the outcomes of the agreement will contribute to specific goals articulated in the department's SDS; similarly, the Department of Fisheries and Oceans cites in its SEAs how its proposed policies, programs and plans help achieve specific SDS goals and targets.

generally well-aligned with the Directive's guidelines, some factors – notably public concerns and the link to the department's SDS – were still missing.

Interview evidence highlights a considerable variance concerning when SEAs are completed during a proposal's lifecycle (i.e. from conception to approval). In some cases, the evaluation learned that departments are making an effort to complete SEAs early and revise them as the proposed policy, plan, or program evolves. In other cases, interviewees referenced examples of SEAs that were completed late in the proposal development process or in some cases after a policy, plan or program had been approved.

These findings underline the need for an explicit mechanism to drive a culture change that can ensure the timely completion of SEAs so that they can inform decision-making and influence the design of policies, plans and programs.

### **2.1.3 Summary Assessment**

The evaluation underlines a continued need to apply an instrument to integrate environmental considerations to the development of policies, plans and programs. Despite the fact that other public policy mechanisms help align departmental policies, plans and programs to sustainability, the Cabinet Directive is the only explicit requirement for integrating environmental considerations into the development of TB submissions, Memoranda to Cabinet and Ministerial decisions.

A common and consistent understanding of how SEA applies and when it should be applied has yet to crystallize throughout the federal government. Consequently, a divergence of practice on when to complete SEAs and for what policies, programs, and plans still exists. There is evidence of SEAs completed at the last minute and even after a, policy, plan or program has been approved.

Although specific language designed to link SEA to SDSs exists in the Cabinet Directive, the evaluation learned that central agencies and departments have yet to develop guidance to align SEA explicitly with other federal processes such as SDSs and corporate risk management. As a result, departments have yet to leverage SEA outcomes to other processes within their organization.

## **2.2 Implementation**

### **2.2.1 Overview**

There is no unique methodology for conducting SEA. Participating departments and agencies have been encouraged to apply frameworks and techniques that align with their needs and particular circumstances.

## 2.2.2 Successes and Challenges

### 1. Timeliness of SEA in the Policy, Plan and Program Development Process

There is no comprehensive tracking of how many SEAs have been undertaken, at either the preliminary scan or detailed SEA level across the federal government. CEAA keeps an informal record of SEAs going to Cabinet but it is not comprehensive. It does not track SEAs done for Ministerial decisions that are not subject to a Memorandum to Cabinet. Few departments provided evidence demonstrating that they systematically track the completion of preliminary scans and detailed SEAs. Over the course of the evaluation, several departments struggled to locate their SEA reports.

The large majority of interviewees commented that the environmental effects of proposed policies, plans and programs are addressed late in the policy development process, after the preferred option has been selected. As a result, the evaluation found that SEAs typically are completed too late in the proposal development process to help departments and agencies analyze policy alternatives on the basis of their environmental risk and/or benefits. In a few cases, departments provided evidence highlighting that their SEAs are completed early enough to influence the selection and/or content of a specific policy, plan or program proposal. Although SEA is applied relatively late in the proposal development process, interviewees commented that SEA remains useful for identifying and proposing mitigation measures that can lead to reduced environmental risk and/or enhanced environmental benefits.

SEA is driven by the Cabinet and Ministerial submission process. Interviewees commented that the Cabinet Directive is applied more systematically to policies, plans and programs that are driven from the "bottom" of organizations as opposed to those that are directed more from the "top". Indeed, some government initiatives are developed outside the formal Memorandum to Cabinet process and, as a result, may not be subject to an SEA. On the other hand, initiatives produced within a department or agency and presented to Cabinet typically have more time to flow through formal departmental processes and review mechanisms. As a result, these policies are subject to a more thorough analysis of potential

#### SEA for Initiative to Map and Chart Canada's North

In response to the 2007 Speech from the Throne, NRCan, DFAIT, DFO, and INAC developed a proposal for an intensified effort to map and chart Canada's North.

The SEA Scan undertaken for the proposal demonstrates several best practices including:

- Interdepartmental collaboration: NRCan regularly consulted with the three co-sponsoring departments on the preparation of the SEA Scan.
- Establishing clear roles and responsibilities: NRCan established clear roles and responsibilities for its SEA process.
- Integrating existing sources of information: The findings and conclusions of the two previous SEAs were used to inform the analysis for the mapping and charting. Additionally, mitigation measures resulting from project-level environmental assessments implemented for an existing program added value to the analysis.
- Starting early: NRCan began work on the SEA and proposal at the same time; therefore information gathered through the SEA process was able to inform the proposal, and vice versa.

environmental effects than those that are developed quickly in response to a request from a Minister or Cabinet.

Similarly, departments had greater success applying the Directive to the development of plans than to the development of policies because the development of plans typically follows a more predictable process than the policy process which is often more fluid. Some of the best practices observed during the course of this evaluation dealt with the application of SEAs to plans.

Interviewees commented that the direction provided in the Cabinet Directive regarding when an SEA is required and whether a preliminary scan or detailed SEA should be conducted is insufficient. When called upon, CEAA has helped departments and agencies determine when a SEA is required. No evidence was found to demonstrate that the PCO regularly scans policy, plan or program proposals in memoranda to Cabinet to determine whether the Cabinet Directive has been applied, much less whether the Cabinet Directive requirements have been met.

## *2. Approaches to Applying the Cabinet Directive*

SEA is a self-assessment process, and departments apply a mix of management approaches to completing their SEAs. Some departments and agencies have created a centralized SEA function to support their policy and program analysts. A centralized SEA function usually consists of dedicated staff with a specific responsibility to: help navigate and provide guidance and support to policy and program analysts throughout the SEA process; review SEA reports and ensure that they are completed in accordance with departmental accountability structures; and align SEA to their department's SDS. Several resource based or economic development departments have centralized SEA functions in place.

Departments that have had difficulty seeing the relevance of SEA to their mandates have tended not to invest in creating a centralized SEA function. They expressed difficulty in completing their SEAs because of a lack of internal expertise and training opportunities to support their analysts responsible for completing SEAs. In these departments, an analyst is unlikely to complete more than one SEA in his or her career, and therefore has limited opportunity to gain the skills or experience needed to perform SEAs effectively and efficiently.

All departments reported that a senior official (usually at the Director General level) is responsible for approving and signing off on their respective SEAs.

Interviewees stated that the majority of SEAs they complete are preliminary scans. A review of a sample of preliminary scans highlights that departments have self-defined their preliminary scan process, rather than follow the guidelines in the Directive. This has led to a generally inconsistent application of preliminary scans throughout the federal government. In some cases, departments are completing preliminary scans that

exceed the expectations defined in the Guidelines for implementing the Cabinet Directive. Under the Directive, a preliminary scan is supposed to be used as a filter to identify the need for a more detailed assessment; in a number of cases, though, departments have prepared preliminary scans that address most (but not all) of the factors listed for a detailed SEA. This has led both to excessive resources being applied to conduct some preliminary scans and insufficient resources being given to complete some detailed SEAs (because the "preliminary scan" was close enough to a full SEA that a detailed SEA was not deemed necessary even though the scan did not include the full range of required factors, such as cumulative effects and public concerns.

### 3. External Support to Applying the Cabinet Directive

Environment Canada was given an explicit role in the Cabinet Directive to provide, upon request, federal departments and agencies with support and advice on sustainable development and environmental analysis. The

#### **Environment Canada's Role in the Cabinet Directive**

To consult with other departments and agencies and provide expert policy, technical and scientific analysis and advice on sustainable development and the potential environmental effects of policy, plan and program initiatives.

Department is not playing this role: the mechanisms that would allow departments to gain access to Environment Canada's expertise have not been created. Nor has Environment Canada allocated resources to support this function. In any event, departments have shown little interest in seeking support or advice from Environment Canada.

With respect to CEAA's role in the Cabinet Directive, the evaluation found evidence that the Agency regularly provides training seminars to improve the implementation of the Cabinet Directive and provides staff to help departments and agencies determine when an SEA is required. However, the limited resources allocated to SEA have prevented the Agency from engaging in a more proactive promotion of the application of the Cabinet Directive.

Under the Cabinet Directive, no agency is designated with the responsibility for government-wide coordination and quality control. PCO, CEAA and Environment Canada do not provide a systematic review of the quality of SEA documents. Furthermore, a regular and ongoing mechanism for determining government-wide compliance with the Cabinet Directive has yet to be established.

#### **The Canadian Environmental Assessment Agency's Role in the Cabinet Directive**

To promote the application of SEA to policy, plan and program proposals of the federal government. In consultation with other departments and agencies, it will provide guidance and training to improve the implementation of the SEA of policies, plans, and programs.

### 4. Determining Whether the Application of the Cabinet Directive Leads to Enhanced Environmental Benefits

Application of the Cabinet Directive is not well documented. There is no comprehensive understanding

of who is completing SEAs for what policy, plan or program initiatives. Moreover, senior management in a number of departments believe that SEA adds little value to the development of their policies, plans and programs. As a result, there is limited information available to verify whether the Cabinet Directive is systematically applied to program, policy and plan proposals with a potential to have negative environmental effects.

Given that there are multiple issues surrounding the timely completion of SEAs in the proposal development process, there are cases where policy, plan and program proposals have been completed and approved without a proper environmental analysis. Only 25% of SEA coordinators and managers who completed the electronic survey believe that SEA findings and conclusions modify policy, plan and program proposals.

On the basis of its review of 38 preliminary scans and detailed SEA reports, the evaluation found that SEAs rarely include explicit follow-up and monitoring elements that allow for a systematic tracking of SEA conclusions and proposed mitigation measures (one of the Cabinet Guidelines element). As a result, the majority of departments cannot comment on the accuracy of their environmental analysis or the effectiveness of their proposed mitigation (or enhancement) measures. None of the participating departments and agencies reported a formal follow-up program.

If it is difficult to tie demonstrable environmental benefits to the application of the Cabinet Directive, there is a strong agreement among SEA practitioners that the Directive is increasing the level of awareness concerning the need to integrate the environment into the development of policies, plans and programs, particularly in departments and agencies that do not have a traditional environmental focus.

#### **SEA for the Ukraine Country Development Programming Framework**

In February of 2006, the Canadian International Development Agency completed a strategic environmental assessment for its Ukraine Country Development Programming Framework (2007-2011). This program allocates approximately \$18 million a year for activities aimed at enhancing two major program areas: private sector development and governance.

The SEA highlighted several key opportunities to strengthen the framework's environmental component by introducing a mandatory requirement to include an environmental strategy for all proposals submitted under the framework. Furthermore, this SEA provided a proxy for introducing strong follow-up and reporting mechanisms by integrating key sustainability indicators and a reporting structure into the program's annual performance measurement framework.

#### **Notable Best Practice: Addressing Cumulative Effects**

In an SEA for an MC on community diversification, the regional development agency Canada Economic Development for Quebec Regions (CEDQ) addressed the cumulative effects of small enterprise start-ups, new community facilities, and new tourist opportunities.

The evaluation noted several instances where SEAs have added value to a particular program, policy or plan proposal by enhancing environmental attributes and or improving environmental benefits (as demonstrated in the examples provided in text boxes throughout this section and case studies included in

Appendix E). This finding demonstrates that when the Directive is applied as intended, it can achieve the expected results.

The evaluation found limited evidence that departments and agencies are applying the Cabinet Directive in a way that allows them to streamline project-level environmental assessments under the *Canadian Environmental Assessment Act*. Although the link between SEA and project-level environmental assessment is not always relevant, interviewees indicated that there is need for improved guidance to help analysts better understand how they can leverage SEA as a tool to streamline environmental assessment at the project level.

#### *5. Factors Contributing to Greater Alignment with the Cabinet Directive*

The evaluation identified a number of factors that contribute to the successful implementation of the Cabinet Directive:

- ✓ *Senior management support to provide direction and underline the importance of the Cabinet Directive*  
The departments and agencies that demonstrated the most efficient and effective SEA systems have engaged senior management who regularly provide direction to staff to complete their SEAs.
- ✓ *Guidance on process and substance*  
Analysts responsible for completing SEA reports benefit from the opportunity to communicate with SEA and environment specialists either within or outside their organizations. Dedicated SEA support within an organization (i.e., a centralized SEA function) was highlighted as a key factor that contributes to the successful completion of SEAs.
- ✓ *Wide range of technical support and tools*  
Analysts and SEA coordinators indicate that a variety of SEA tools (e.g., guidance manuals, matrices, case studies) contribute to the successful completion of SEAs within their organizations.
- ✓ *Clear definition of roles, responsibilities and accountabilities*  
Organizations that describe in detail and define their SEA processes have more efficient SEA systems in place because of a clearer understanding of roles and responsibilities and accountabilities<sup>12</sup>.
- ✓ *Tracking and reporting from start to finish*  
While few departments and agencies maintain central databases to track and monitor their SEAs, those that systematically track SEA completion and report regularly to senior management have more rigorous SEA practices and

---

<sup>12</sup> Three of the 23 departments and agencies that participated in the evaluation do not have an SEA Manual or any guidance material specific to conducting SEAs.

compliance with the Directive. Analysts and SEA coordinators commented that SEA monitoring and tracking databases also can be a starting point for sharing best practices and communicating lessons learned to their colleagues and senior managers.

#### *6. Major Impediments and Missed Opportunities*

The evaluation identified a number of factors that impede the successful application of the Cabinet Directive.

- ✘ *Inability to conceptualize the relevance and applicability of SEA to policy-making*  
Most policy analysts do not have the training or experience to identify more than the most obvious environmental implications of policy, plan or program proposals. Fewer still have been trained to develop an initiative to maximize sustainability objectives. As a result, many analysts struggle to see the relevance or value of SEA to their work because they do not have the tools and information to address environmental factors comprehensively.
  
- ✘ *Absence of a clear system-wide governance and management structure*  
Departments and agencies that struggle to complete SEAs in a timely way commented that there is a lack of understanding of who is responsible for completing and reviewing their SEA products. Similarly, these departments have difficulty determining when a SEA should be completed in the proposal development process.
  
- ✘ *Insufficient accountability under the Cabinet Directive*  
The evaluation noted that the accountability structure for applying the Cabinet Directive at the government-wide level is poorly defined and understood by the involved departments and agencies and central agency authorities. The Directive does not identify an agency responsible for ensuring compliance. A large majority of interviewees believed that this was a major barrier to successful implementation of the Directive.
  
- ✘ *Insufficient incentive under the Cabinet Directive*  
The evaluation noted that as a result of poor monitoring of compliance with the Cabinet Directive's process and substance requirements, departments and agencies have little incentive to do SEA well. The existing approach to managing the government's SEA portfolio does not include penalties for non-compliance, incentives for doing SEA well, or opportunities for scrutiny from non-government stakeholders that might force the adoption of better practices. Furthermore, success stories or lessons learned as a result of completing SEA well are not widely publicized or promoted across the federal government.

### The Elements of Good Practice

Experience in various departments and jurisdictions indicates that, in order to be effective, the implementation of an SEA process needs to be systematic and address the following elements:

1. Articulation of the policy
2. Communications
3. Guidance
4. Technical support
5. Accountability
6. Performance monitoring
7. Link to environmental goals

#### Articulation of the policy

While a department can root its SEA policy in the Cabinet Directive, several departments (e.g., TC, DFAIT, CIDA, IC, NRCan) have found it useful to customize the Directive to their circumstances. They have developed their own guidelines in order to:

- signify senior management commitment to the policy and expectations regarding implementation;
- set out the policy's scope in light of the Department's mandate and structure;
- define internal roles and responsibilities;
- provide step-by-step guidance to analysts, including standardized forms, checklists or worksheets;
- list environmental consequences typically associated with departmental decisions;
- identify resources for assistance or additional information.

#### Communications

Many analysts may initially see a mandatory SEA process as an unreasonable imposition of additional costs and delays on the decision-making process or, conversely, a meaningless paper exercise. To ensure the process's legitimacy and its effective implementation, senior managers (ideally the Deputy) need to communicate its rationale, respond to concerns and build support for the policy. This "marketing" needs to be systematic and sustained, and is an important element of the policy's eventual success.

Because SEA affects the way in which a department develops its policies, plans and programs, it will over time also affect policy outcomes. It is important, therefore, that stakeholders and clients who are to be affected by these changed outcomes have an opportunity to comment on the policy itself. Such consultation will build support for the policy and will also help inform its application. As part of its communications plan, a department should consult select stakeholders (e.g., industry associations, NGOs, provincial governments) and seek their views.

#### Guidance

Departmental analysts and managers who will be responsible for SEA are likely to need guidance at two levels:

1. Process: When is an SEA required? Who needs to be consulted? Who needs to sign off? Where can one get help?
2. Substance: How does one identify likely environmental effects? What are "important" effects? To what standard does one need to design mitigative measures? The main challenge here is to get policy analysts to think more broadly than they have traditionally, and make reasonable connections between departmental policies and environmental outcomes.

#### Technical support

As a department introduces a new decision-making requirement such as SEA, it is important that it provide policy analysts the technical support they need in order to meet this requirement. Such support could take various forms, such as:

1. *Training:* The needs of officials responsible for SEAs will need to be assessed, and a course designed, delivered and evaluated. While an introductory course could be short (e.g., half a day), some analysts may require more training if they manage complex policy development processes.
2. *Tools:* Tools to conduct SEAs will be needed and can include checklists, worksheets or questionnaires. Their purpose is to lead the analyst through a systematic list of criteria which will indicate (i) whether enough information exists to qualify the environmental implications of a policy; (ii) what these implications are; (iii) whether they are acceptable; and (iv) what mitigative measures may be required. Several departments (e.g., CIDA, Industry Canada, and Environment Canada) have developed such tools. In addition, case studies illustrate different issues that the analyst may confront, and can provide useful guidance on how to resolve these matters. CEAA has coordinated the preparation of several illustrative case studies.
3. *Technical expertise:* Even trained analysts working with checklists will occasionally need to refer to specialized expertise in order to conduct an SEA. While this expertise may occasionally exist within resource ministries, it may not be the case for social or economic departments. It is important therefore to establish mechanisms, such as a memorandum of understanding, which would define how a department could access the expertise required.

### **Accountability**

Accountability for the conduct of SEAs can occur at three levels:

- Within the Department: The Deputy should build an SEA requirement into existing mechanisms to review Cabinet submissions before they leave the Department. In some departments, an ADM is required to check off all cabinet submissions to ensure that an SEA has been conducted, where warranted, before they can be submitted. Such accountability can be reinforced by adding SEA to performance contracts with senior managers, where appropriate.
- The central agency managing the Cabinet decision-making process can ensure that environmental considerations have been taken into account in departmental analyses and recommendations, as appropriate. As the government-wide SEA standard rises, a department's initiatives may become increasingly vulnerable if its own practice falls significantly below average.
- Finally, the Cabinet Directive now requires that public statements of environmental effects be published for detailed SAEAs at the time that the policy, plan or program is announced. A department should therefore expect eventual public scrutiny of its SEAs by way of publishing its public statements.

### **Performance monitoring**

Monitoring the implementation of the SEA policy enables the Department to judge the adequacy of the measures it has put in place to implement the policy and the need for any additional supportive measures. Monitoring helps answer questions such as: who is doing well and why? Which program is running into problems and why? How many SEAs have been done? Is training effective?

The Department should not only monitor its SEA process but also the impact of this process. Such follow-up will help:

- Verify the accuracy of supporting analysis;
- Evaluate the adequacy of mitigation measures;
- Improve the quality of SEA over time;
- Establish links with policy or program implementers who may modify it, and therefore its impacts, as they apply it.

### **Support for Sustainable Development Strategy**

One of the challenges in conducting an SEA is to identify a standard against which to determine the effort to be expended in the analysis or the adequacy of proposed mitigation efforts. The SEA should ensure that the proposed policy, plan or program is consistent with:

- The goals and targets in the Department's SDS and, eventually, those in the federal sustainable development strategy. The more specific and measurable these are, and the more they are formulated in terms of desirable policy outcomes, the more useful they will be as guideposts in conducting an SEA;
- The government's environmental and sustainable development priorities;
- Canada's international environmental obligations.

- ✘ *Pressure of the policy development process*  
The inherent nature of the policy process, often characterized by political sensitivities, confidentiality and short timelines, can be contrary to an open and comprehensive analysis of policy options and their environmental implications.
- ✘ *Lack of senior-management support*  
Analysts and SEA coordinators noted that the success of their SEA processes is correlated to the level of engagement and support of senior management in their respective organizations.
- ✘ *Insufficient methodological guidance and limited opportunities to enhance capacity*  
The majority of analysts and SEA coordinators highlighted a need to improve training and guidance related to substance as opposed to process. For example, interviewees argued that there is a need to develop better guidance and tools to understand and identify important environmental effects, cumulative effects assessment, and alternatives analysis. Aside from the generic training courses provided by CEAA that focus principally on process, there are few training opportunities to improve SEA capacity and enhance analysts' technical skills in the majority of social and economic-based departments. The evaluation also noted that PCO analysts do not receive specific training on SEA.

The current application of the Cabinet Directive has resulted in several missed opportunities with respect to achieving the Directive's intended environmental benefits and potential contributions to the policy, plan and program development process. The key informant interviews and review of SEA reports confirm that the current application is resulting in several shortfalls including:

- ✘ *Insufficient attention to alternatives analysis and cumulative effects assessment.*  
Analysis of alternatives and cumulative effects assessment were generally not well addressed in the SEAs reviewed as part of the evaluation. As previously noted, the timeliness of SEA in most federal departments and agencies affects the ability of SEA results to influence alternative approaches to implementing policies, plans and programs. Addressing cumulative effects in the context of a SEA remains a challenge across all departments and agencies, even though SEA is, in theory, partly intended for the task.
- ✘ *Streamlining project-level environmental assessment and negative environmental effects.*  
The majority of analysts and SEA coordinators interviewed believe that, despite notable advancements in a few cases, the existing approach to completing SEA does not facilitate a streamlining of project-level environmental assessments by identifying negative environmental effects. In several cases, SEAs focused primarily on positive environmental effects and did not recognize potential adverse

environmental effects that should be addressed during the project-level environmental assessment process.

- ✘ *Poor alignment with SDSs.* The evaluation noted a failure in most departments to connect SEAs and SDSs. SEA provides an opportunity to ensure that government policies, plans and programs support SDS goals and targets. Little evidence was found to demonstrate that departments and agencies are leveraging their SEA opportunities to advance SDS goals and targets. This is likely to become a bigger concern with the implementation of the *Federal Sustainable Development Act*.
- ✘ *Ability to save time and money.* Few SEAs provide an adequate description of how proposed mitigation measures can save departments and agencies time and money by minimizing adverse environmental effects and reducing environmental liabilities. Interviewees also commented that mitigation measures can also cost departments/agencies more time and money.

#### **External Perspectives of the Federal SEA System**

As a response to the House of Commons Standing Committee on Environment and Sustainable Development (2003) finding that implementation of the Directive has suffered from insufficient commitment and that development of legislated base for SEA is warranted, the Government of Canada accepted the goal of developing stronger assessment at the strategic level, and promised to seek guidance from the Regulatory Advisory Committee Strategic Environmental Assessment Sub-committee (RACSEA). Over the course of its work, RACSEA has highlighted a number of areas where the current application of the Directive has fallen short, including the ability of the Directive and its respective Guidelines to:

- address inter-jurisdictional overlap (i.e. the associated potential for collaboration as well as conflict on strategic objectives and initiatives, shared responsibilities for potential effects, expectations for consultation including where Aboriginal interests are present);
- identify the needs for strategic initiatives to address major issues of public concern, problem areas identified in successive project level assessments, emerging or anticipated cumulative effects issues;
- establish linkages between strategic undertakings subject to SEA and lower tier plans and programs or projects;
- address process alternatives, including open public processes for some categories of SEAs;
- adopt consistent generic criteria for evaluations and decisions;
- address basic SEA scoping issues, such as handling of lifecycle and intergenerational questions;
- distinguish between legitimate grounds for secrecy and documents/deliberations that should be public; and
- provide instruments alternative or complementary to the Directive that would provide more motivation, authority and credibility for SEA.

### **2.2.3 Summary Assessment**

The evaluation has noted that the departmental approaches to applying the Cabinet Directive vary in terms of their sophistication. Despite having the flexibility to develop frameworks and techniques that reflect their own needs, the majority of departments and agencies have struggled to develop effective management and guidance systems that meet the Cabinet Directive's guidelines and principles -- almost two decades after the first Directive came into effect and five years since the last revision. With some exceptions, their methodologies remain inadequate and their analysis of environmental

considerations therefore superficial. The timely completion of SEA remains an issue in most departments and agencies. As a result, SEA is not achieving its potential to influence the design or alternatives to implementing a policy, plan or program.

## **2.3 Transparency, Accountability, and Capacity**

### **2.3.1 Overview**

Departments and agencies are responsible for defining their roles, responsibilities and accountabilities for implementing the Cabinet Directive. At the government-wide level, the Directive is the most important source for describing SEA responsibilities.

As a step to a more open and accountable process, the Cabinet Directive instructs departments and agencies to prepare a public statement when a detailed assessment of environmental effects has been completed (this is not required for a preliminary scan). The purpose of the public statement is to demonstrate that environmental factors have been integrated in the decision-making process. Departments and agencies are encouraged to integrate their public statements into existing reporting mechanisms to the fullest extent possible.

#### **Inadequate Opportunities for Integration**

The review of 38 SEA reports revealed numerous examples where an MC did not mention that an SEA had been completed; this is contrary to Memoranda to Cabinet drafting instructions and highlights the inadequacy of review procedures completed at the departmental and central agency levels.

- One SEA was completed a full year before the Memorandum to Cabinet, but not updated and not signed; the MC made no mention of the SEA having been done;
- Some SEAs were completed after the Memorandum to Cabinet was submitted;
- In one case, the SEA was signed only three days before the Memorandum went to Cabinet – raising questions about the influence it had on the MC.

The Directive provides guidance on how departments and agencies should integrate public concerns into their SEA analysis. An environmental analysis should “identify for decision makers, where appropriate, concerns about the environmental effects among those likely to be most affected, and among other stakeholders and members of the public”. Departments and agencies are asked to utilize existing information sources and make use of any public

involvement activities that may be underway as part of their proposal development process.

As the Directive establishes essentially a self-defined process, there is no explicit requirement for departments and agencies to maintain any given resource level to meet their SEA needs.

### **2.3.2 Successes and Challenges**

#### *1. Roles/Responsibilities and Accountabilities*

At the departmental level, roles and responsibilities, whether formalized or not, are relatively clear. Typically a Policy/Cabinet Liaison Unit will flag to the appropriate policy

analysts that there is a need to complete an SEA for a proposed policy, plan or program because of an impending Cabinet or Ministerial consideration of the matter. Alternatively, policy analysts themselves will trigger the SEA, for example, in the case of a plan development where the decision-making process is predictable. This request usually prompts a policy analyst to complete an SEA for review and approval by a senior official in the department (typically at the Director General level; some departments require two signatures). Where available, SEA coordinators or environmental assessment specialists are engaged by contributing to the development or review process. While roles and accountabilities are often clear and documented, the evaluation found that formal management systems for initiating, consulting, completing, reviewing and tracking SEAs exist in only a small number of departments and agencies.

At the cross-government level, roles and responsibilities are less clear and expectations for central agency support are not well understood or shared. As previously noted, a monitoring and reporting system for implementing the Cabinet Directive is not in place and an accurate understanding of government-wide compliance with the Cabinet Directive does not exist.

Departments and agencies argue that neither CEAA nor Environment Canada is fulfilling all their expectations with respect to applying the Cabinet Directive at the government-wide level, despite having their roles explicitly defined in the Cabinet Directive.

The evaluation found evidence highlighting that CEAA is providing ongoing training and support<sup>13</sup> to departments and agencies. However, interviewees believe that the Agency should play a stronger role in providing more substantive guidance (e.g., how to conduct a cumulative effects assessment) and in fostering a stronger SEA culture across the government by sharing best practices and lessons learned. Nearly half of all e-survey respondents were unsure of what services the Agency can provide to departments.

#### **Assessing the Adequacy of SEA Training Opportunities**

The evaluation noted a gap in training opportunities for policy analysts:

- Some departments are providing in-house training
- Other departments rely on training provided by CEAA
- CEAA training was characterized as too short, too generic, and focused on process rather than substance
- Training does not share best practices to learn from others
- Specific training is not provided to PCO analysts and few PCO analysts attend CEAA training courses
- Experienced SEA coordinators and analysts see a need for more technical and substantive training.

The role that PCO should play in applying the Cabinet Directive is subject to much debate among SEA practitioners. In its current form, the Cabinet Directive does not define a role for PCO. PCO analysts have in some, but not all, cases checked whether a department has conducted an SEA as part of its Memorandum to Cabinet. In at least one instance, PCO told a department that it did

<sup>13</sup> CEAA has prepared guidance notes on how to conduct preliminary scans, how to connect SEA to SDS, and how to prepare a public statement.

not have to prepare a SEA even though the department was prepared to do so. In other cases, PCO analysts have edited the text reference to an SEA that appeared in the Memorandum to Cabinet<sup>14</sup>. The problem is compounded by the fact that PCO analysts have heavy workloads, work in relative isolation of each other, tend to move frequently and that few, if any, have received SEA training. These factors make it difficult for PCO to play a supportive or consistent role on SEAs.

The majority of departmental officials interviewed in this evaluation argue strongly that PCO should hold departments accountable for completing SEAs for Memoranda to Cabinet. Without this accountability, they argue, that there is little incentive for departments to invest in the conduct of a rigorous SEA and little consequence for failing to do so. They note that PCO is already playing such a role on similar matters (e.g., gender-based issues) and that PCO had recently re-written the guidelines for preparing Memoranda to Cabinet to require an explicit attestation of the accuracy of financial information. Furthermore, interviewees emphasized that the Clerk of the Privy Council Office could play a pivotal role in ensuring that the Cabinet Directive is respected throughout the proposal development process by reminding senior departmental officials of the ongoing need to integrate environmental considerations into their decision making activities.

PCO officials, however, believe that it is Ministers themselves who are accountable for implementing the Directive and that their Office has only a challenge function role to play in ensuring that the Directive is respected.

Under the *Auditor General Act*, the CESD is tasked with overseeing the government's efforts to protect the environment and promote sustainable development. To date, the CESD has completed two full audits that address the state of SEA in the federal government, the most recent of which was completed five years ago. Nevertheless, many of the concerns raised by the CESD – for example, regarding timing of SEAs, accountability and other process issues – remain and were again identified in this evaluation. It appears that the CESD audits have not been successful in driving all the substantive changes needed to strengthen the implementation of SEA at the federal level.

---

<sup>14</sup> PCO advises departments and agencies on the language included in MCs. Departments and agencies are responsible for determining whether they want to accept PCO's advice. Overall accountability for an MC rests with the relevant Minister.

## 2. Integrating public and stakeholder concerns

Despite explicit direction provided in the Cabinet Directive, there is limited evidence to demonstrate that departments and agencies are reflecting public and stakeholder concerns in their SEA reports or public statements. In a few cases, the evaluation noted that departments and agencies have leveraged existing public/stakeholder information from processes other than their respective SEA process. In other cases, departments have taken the initiative to host specific consultation exercises to integrate public interest and or stakeholder concerns to the SEA. Overall, the large majority of

policy analysts and SEA coordinators feel that their department's approach to integrating public and stakeholder concerns to their SEAs can be improved.

### Missed Opportunities for Integrating Public Concerns

In two cases, a Memorandum to Cabinet mentions public concerns about the broader subject under consideration in the MC, yet the SEA is silent on these or says that public concerns cannot be addressed because of Cabinet confidentiality.

### Potential Sources of Information

The Cabinet Directive suggests four sources of information on public concerns:

1. economic and social analysis under way on the proposal;
2. ongoing public consultation mechanisms in the department;
3. expert departments and agencies; and
4. outside experts and organizations.

### Leveraging Public Perspectives

The Department of Fisheries and Oceans SEA template prompts analyst to think about public concerns; in the case of the SEA completed for the Wild Salmon Policy, the SEA summarized the approach and results of an extensive consultation effort undertaken as part of the development of the policy.

Departments face limitations in addressing public and stakeholder concerns. The most common cited relate to limited funding, the lack of time available to identify concerns over the course of a SEA and the need to respect Cabinet confidentiality. In general, these responses indicate a misunderstanding of how to incorporate public concerns into the SEA process. Departments typically equate "understanding public concerns" with "having to conduct consultations". They rarely leverage other existing sources of information on public perspectives.

## 3. Public Statements

Despite the guidance presented in the Cabinet Directive and additional guidance provided by CEAA, the evaluation found limited evidence to demonstrate that departments and agencies are fulfilling their responsibilities to publish public statements. Only eight departments make available their public statements on their website and few departments and agencies have utilized existing departmental reporting tools (e.g., SDSs, Departmental Performance Reports) as a mechanism for publishing the results of their SEAs. Nevertheless, at least one department is considering eventually extending this requirement to its preliminary scans.

A review of existing public statements highlights that there is variability in the content departments and agencies are sharing with the public. Several public statements only summarize a specific SEA's process, while others provide more detailed information on public concerns, positive and negative environmental effects and SEA outcomes. Approximately 55% of e-survey respondents were unsure of how their departments communicate their SEAs to the public.

#### *4. SEA Tools and Capacity*

Most departments and agencies have developed guidance tools (e.g., SEA Handbooks, matrices, checklists) to help their policy analysts complete SEAs. The majority of e-survey respondents and interviewees indicated that these tools are valuable and help them complete preliminary scans and detailed SEAs.

Analysts did not cite resource limitations as a key barrier for completing SEAs. The majority of interviewees feel that their departments have enough or nearly enough resources in place to meet their current SEA demands. The evaluation noted that departments with dedicated SEA resources (i.e., 1-2 FTEs) have SEA products that are more closely aligned with the Cabinet Directive.

Interviewees commented that the lack of dedicated resources at Environment Canada and CEAA constrains the ability of these organizations to apply the Cabinet Directive across government effectively and advance the federal government's approach to completing SEA in accordance with the Cabinet Directive's requirements and expectations.

#### **2.3.3 Summary Assessment**

Although the Cabinet Directive provides an umbrella policy for departments and agencies to follow, a few departments and agencies have yet to develop fully functioning SEA systems and processes and equip their policy analysts with the necessary tools to complete SEAs. In most cases, departments and agencies have made significant advancements to formalize their SEA processes by developing clear accountability frameworks and, in some instances, providing dedicated resources (both human resources and tools) to advance the state of SEA in their respective organizations.

Across government, there is no mechanism to ensure accountability for the overall management and governance of SEA. The absence of an oversight structure is a serious impediment both to compliance and to measuring performance.

The integration of public and stakeholder concerns into SEA does not occur on a regular basis. Most departments and agencies have yet to leverage information from existing public sources and consultation mechanisms. With respect to issuing public statements, the majority of departments have yet to meet the Guideline's intent that they provide adequate public statements on their website or in existing reporting mechanisms.

### 3 Conclusions

---

The conclusions below are presented under each of the four main evaluation questions.

#### Relevance

*Is the Cabinet Directive consistent with and contributing to federal government environmental priorities and actual needs?*

1. SEA continues to be relevant and needed. The integration of environmental considerations at the early stages of developing policies, plans and programs remains a prerequisite to the promotion of more sustainable forms of development. The continued deterioration in environmental indicators (as documented in *Canada's Performance Reports* and elsewhere<sup>15</sup>), illustrates that the federal government will need to continue to integrate environmental considerations into the development of its policies, plans and programs.
2. Overall, however, SEA has had little demonstrable impact in contributing to the federal government's environmental priorities and needs. There is little evidence that SEA is optimizing the positive, and/or minimizing the negative, environmental effects of the government's policies, plans and programs. This is in part because of: the difficulty in identifying the effects of applying the Cabinet Directive to the policy or program development process; the late application of the Cabinet Directive to proposals resulting in marginal influence or change to proposals; and inadequate approaches to monitoring and follow-up of SEA conclusions and proposed mitigation measures.

As a result, many departments are not meeting the Directive's original intent that SEA "should contribute to the development of policies, plans and programs on an equal basis with economic or social analysis", where circumstances warrant.

3. While there is widespread agreement among SEA practitioners that SEA continues to be needed and does not duplicate other processes, they do not agree on whether the current instrument (Cabinet Directive) is the best method to achieve the goal of more environmentally-sustainable policies, plans and programs. Given the deficiencies documented in the Directive's implementation both in the CESD audits and this evaluation, there is a need to consider alternatives to the Directive and complementary instruments to improve the SEA process, review its focus (*viz.*, stand-alone environmental assessment vs. integrated assessment), strengthen its analysis, and reinforce approaches to compliance and accountability.

---

<sup>15</sup> See for example, Commission for Environmental Cooperation (2008) North America 2030: An Environmental Outlook; OECD (2004) Environmental Performance Reviews – Canada; Environment Canada (2001) Tracking key environmental issues

## Implementation

*Are the most appropriate, effective and efficient means being used to achieve outcomes?*

4. Performance varies greatly across government, with some departments having put in place processes to achieve many of the immediate and intermediate outcomes that SEA is designed to achieve. In other departments, the Directive has raised awareness of the importance of considering environmental effects when developing policies, plans and programs, but has not achieved the anticipated outcomes. Presently there are no internal or cross-government incentives to completing effective SEAs.

The quality of SEAs conducted varies significantly, sometimes within the same department. This variability results from several factors, including: (i) the lack of senior management support (within departments and in the government as a whole) for adequate mechanisms for quality assurance and control or for follow-up; (ii) the absence of agreed-upon standards to assess the quality of the assessment or of the underlying evidence base; and (iii) sometimes pressures on departmental SEA coordinators to approve SEAs. Following implementation of the policy, program or plan proposal, there is no formal mechanism in place (at either the departmental or across government level) to assess whether follow-up is adequate or occurring as intended.

5. The Cabinet Directive is not being implemented consistently (i.e., the same way across departments and agencies) or comprehensively (i.e., not applied to all major policy decisions and not all of the required SEA components included). Implementation is generally not achieving the Directive's original spirit and intent. Where the Directive is applied, it is typically done late in the policy, plan and program development process; it seldom includes an adequate analysis of all environmental implications, of alternatives to implementing the proposal, of cumulative effects, or of public concerns.
6. Departments are having greater success integrating environmental considerations into plans than into policies and programs because the process for developing plans is usually more predictable and longer-term than that for developing policies and programs.

7. Departments and agencies that are undertaking SEAs in accordance with the Directive have tended to develop internal guidance on both process and substance that is closely aligned with the Directive, provide technical support to their policy analysts, track and report on their SEAs, and specify roles, responsibilities and accountabilities. Several examples exist to demonstrate that the Directive can be implemented effectively when a department or agency is committed to managing its SEA system by clearly defining roles, responsibilities, and accountabilities associated with the system, and providing adequate training, guidance, and tools to personnel within their organization. Conversely, the evaluation highlights that several departments have yet to take substantive steps to ensure the application of SEA in their respective organizations.
8. Federal SEA practice has not achieved the benefits of considering environmental factors early in the development of policy, plan and program proposals that are identified in the Guidelines. In most cases, SEA has not been fully used to focus attention on cumulative environmental effects, make project-level environmental assessments more efficient/effective, implement SDSs, or save the Government time and money by drawing attention to potential environmental liabilities or adverse effects.

### **Transparency, Accountability and Capacity**

*Is the process developed from the policy requirement transparent where possible? Are accountabilities clear within government?*

9. Accountabilities for applying the Directive are clear in most departments. While the Directive does not specify the primary official who is accountable for SEA in a department or agency, most view the Deputy as ultimately accountable for ensuring that environmental considerations are properly integrated in the development of policies, plans and programs. Several departments have developed procedures that explicitly describe the roles and responsibilities of the various officials concerned. This is particularly true for natural resource and economic development departments, but less so for social departments that have had difficulty conceptualizing the value of SEA to their mandate.
10. The current SEA practice based on distributed responsibilities and self-evaluation does not receive sufficient oversight and support from central agencies in order to be effective. As well, there are few consequences to departments for inadequately implementing SEA (other than the occasional audit of performance). As a result, there is insufficient overall accountability for implementation of the process at the government-wide level. The absence of an explicit definition of roles and responsibilities for such oversight in the Guidelines represents a major impediment to the Directive's effectiveness. Central agencies are not playing the same challenge function on the quality of SEAs as they do on the other matters

that have to be incorporated in Memoranda to Cabinet and TBS Submissions before they go to Ministers (e.g., financial analysis, gender-based analysis).

11. Five years after a requirement for greater transparency was added to the Directive, most departments still do not provide the level of transparency expected in the process. Several departments either do not publish their public statements or, if published, explain how environmental factors influenced their decision making. Few report in their corporate performance documents how frequently policies, plans and programs have been assessed, or what effect if any SEAs have had on reaching their sustainable development goals. Greater transparency would help improve SEA quality.

*Is the Directive designed and delivered in the best possible way?*

12. Many departments do not have, or do not deploy, the capacity (knowledge and expertise) or time needed to integrate environmental factors fully into internal or Cabinet policy development processes. The current self-evaluation model requires policy analysts to have the time, training and access to the expertise needed to identify environmental opportunities and consequences of proposed policies, plans or programs to be effective.
13. A lack of dedicated resources (capacity or time) poses only a minor barrier to more effective SEAs today. Existing resource levels may become a more important barrier once departments make a greater commitment to applying the Directive as intended.
14. The Cabinet Directive and Guidelines do not provide sufficient or clear enough guidance to practitioners in several areas such as: how to use SEA to streamline project-level assessments; how to complete multi-departmental SEAs; how to address cumulative environmental effects; what are the specific accountabilities for oversight; what are "important" environmental effects; what should be contained in a public statement; and when and in what format should SEAs be done.
15. Environment Canada is not providing, or not being required to provide, if requested by departments/agencies, the expected "expert policy, technical and scientific analysis and advice on sustainable development and the potential environmental effects of policy, plan and program initiatives", despite the Cabinet Directive giving it an explicit role to do so. This is the result of several factors, including insufficient Environment Canada resources to play this role, the unwillingness of other departments to engage Environment Canada on these issues (e.g., not enough time, don't know who to talk to, confidentiality concerns), and possibly unrealistic expectations articulated in the Directive.

16. CEAA is not providing sufficient process support (e.g., training, network of practitioners, and documentation of best practices) to departments.

## 4 Recommendations

---

The evaluation recommends that the federal government reaffirm the importance of SEA in the federal policy, plan and program development process. The goal should be to support and strengthen the original purpose of the Cabinet Directive – to facilitate the integration of environmental factors in the way departments and agencies function.

As the Brundtland Commission stated more than twenty years ago, “the ability to choose policy paths that are sustainable requires that the ecological dimensions of policy be considered at the same time as the economic, trade, energy, agricultural, industrial, and other dimensions – on the same agendas and in the same national and international institutions”<sup>16</sup>. Although the concept and relevancy of SEA remains sound, the self-evaluation model suffers from a lack of motivation, quality control, oversight and accountability. The government should revise the approach to applying SEA so that the emphasis shifts from performing SEAs on policies, plans and programs *after* they have been developed to integrating environmental considerations *into their design and development, implementation and follow-up* resulting in a more integrated analysis of social, economic, and ecological elements at the early stage of a proposal’s development. This would turn the Directive from an instrument for environmental assessment into one for sustainability assessment.

To make SEA practice in the federal government more rigorous, effective and transparent, the following recommendations should be implemented under the leadership of the President of CEAA, reporting to the Minister of the Environment:

### Cabinet Directive and Guidelines

1. CEAA, with the support of PCO and Environment Canada, and in consultation with other departments, should redraft the Cabinet Directive to reaffirm the relevance of SEA and to clarify the goal, objectives and outcomes of applying the Cabinet Directive. This redrafting should include: a review of the existing environmental benefits to determine their relevancy in light of the current policy development process; a comprehensive articulation of roles, responsibilities, and accountabilities for departments and all involved central agencies; and specific language that will instruct analysts to begin their SEAs at the concept development stage of a proposal’s development.
2. CEAA, with the support of PCO and Environment Canada should task an interdepartmental committee to explore whether there is a need to introduce

---

<sup>16</sup> World Commission on Environment and Development (1987) *Our Common Future* (Oxford University Press), p 313.

supplementary tools (e.g. regulatory reform) to improve SEA performance so that it can make a more meaningful contribution to the policy, plan and program development process by ensuring that environmental considerations are fully integrated with economic and social considerations.

### **Accountability**

3. PCO, with CEAA's assistance, should strengthen accountability for the implementation of SEA by:
  - Designating an organization to monitor the compliance of SEA implementation and quality government-wide with established consequences for non-compliance.
  - Creating more explicit accountability in the Cabinet Directive for departmental SEAs by clearly designating the Deputy as accountable for SEA implementation and quality; noting SEA requirements in Senior Managers' performance agreements; and/or requiring an explicit attestation in documents such as Memoranda to Cabinet and TBS Submissions (*viz.*, the current requirement for an attestation by the Chief Financial Officer about the resource requirement estimates in Memoranda to Cabinet).
  - Asking the CESD to conduct an audit of the revised process within three years.

### **Quality**

4. The Minister of the Environment with the approval of the Governor-in-Council should strengthen the quality of SEA development by:
  - Requiring CEAA to clearly articulate the outcomes the Directive is intended to achieve and related performance metrics (for central agencies and participating departments/agencies), and integrating these in departmental performance frameworks such as Management Accountability Frameworks.
  - Directing all departments and agencies to review their SEA systems to ensure that SEAs are conducted at the early stages of the proposal development process. Departments and agencies should be held accountable for developing structured tracking, reporting and follow-up processes (integrated within the regular departmental operational/business framework) and ensure that their departmental/agency Audit and Evaluation Branch include the outcomes of SEAs in the evaluations or audits of policies, plans and programs identified in a department/agency's Evaluation and Audit Plan.
  - Directing all departments and agencies to institute greater quality assurance measures to ensure that SEA reports are reviewed for their ability to identify important environmental factors, address cumulative effects, provide linkages to departmental SDSs, and address public concerns.

- Directing CEAA to provide more support to departments in ensuring quality by providing and sharing best practices, e.g., through case studies and quality review procedures.

## Guidance

5. CEAA should improve guidance to SEA practitioners by:
  - Providing greater clarity around the key methodological challenges noted in this evaluation (e.g., addressing cumulative effects, definition of “important” environmental effects, integrating public stakeholder concerns).
  - Clarifying and broadening the guidance for the development and issuance of public statements so that they eventually apply to preliminary scans as well as detailed SEAs, and so that the content is adequate to demonstrate transparency.
  - Indicating how to link SEAs to the achievement of the goals and targets to be developed under the *Federal Sustainable Development Act* and developing performance indicators to track the effectiveness of the measures proposed.
  - Developing, in conjunction with departments with environmental expertise, a guidance document or MOU that clearly explains what assistance these departments can provide and how this assistance can be accessed.

## Capacity

6. CEAA should develop an explicit strategy to build up the SEA capacity of the federal government by:
  - Providing more rigorous training to departments and agencies directly or via departmental groups that conduct SEA training directly themselves. This training should be compulsory for selected policy analysts and program managers. As well, an element of the training should be embedded in senior management training programs offered by the Canada School of Public Service to enhance their awareness of, and demand for, high quality SEAs.
  - Creating a stronger community of practice among federal and non-federal SEA practitioners (e.g., through workshops on best practices, resolving common challenges, applying new tools and methodologies) that can strengthen linkages to project-level environmental assessment.
  - Developing Terms of Reference for the SEA Sub-committee of the Senior Management Committee on Environmental Assessment to become the principal vehicle for developing government-wide guidance on SEA practice and for ensuring common interpretation of the Cabinet Directive. These Terms of Reference should clearly identify the mandate, goal, and objectives of the Sub-Committee, identify a Chair, and highlight expected outputs and outcomes.
  - Establishing and maintaining a clearing house (a central location for the collection, maintenance, and distribution of materials, information, etc.) for

monitoring and tracking the completion of SEAs and their respective public statements.

- Supporting the creation of a specific internal capacity in PCO and TBS to assist their analysts in reviewing the SEA components of policy, plan and program proposals submitted for decision.

**APPENDIX A**

**Catalogue of Evidence from the File and Document Review and  
Interviews**



Evaluation Issues stated by the Evaluation Advisory Group	Evaluation Sub-Issues	Assessment based on evidence collected from the multiple lines of inquiry
<p><i>Relevance:</i>                      Is the Cabinet Directive consistent with and contributing to federal government priorities and actual needs?                      (Relevance)</p>	<ol style="list-style-type: none"> <li>1. Are current SEA requirements leading to improved initiatives that deliver positive steps towards sustainability? Do SEAs help achieve sustainable development targets and goals at the government or department wide levels?</li> <li>2. Do decision makers feel that SEA is relevant to the development of PPP? Is there common agreement / understanding of when and how to apply SEA?</li> <li>3. Does the Cabinet Directive duplicate other risk assessment / management accountability frameworks in the federal government?</li> <li>4. Is there a continued need for implementing the Cabinet Directive and its Guidelines to ensure that environmental and sustainability considerations are integrated into the development of PPP?</li> </ol>	<ol style="list-style-type: none"> <li>1. There are examples of individual SEAs having delivered positive steps toward sustainability; these, however, tend to be small and in many cases occur in resource-based departments. Macro-level indicators imply that environmental conditions are not improving (viz. TBS Canada’s Performance Report 2007-08). Often the SDSs will refer to SEA commitments, and vice versa.</li> <li>2. Most feel that considering env effects is relevant to the development of PPP; however some departments question the applicability/relevance of SEA given their mandate (e.g., regional development agencies, social departments) or question if the Cabinet Directive is the right tool. There’s general understanding of the need to consider environmental factors in decision making, but not general agreement about how best to do it and what value SEA may be able to provide. SEA is often applied late in the process.</li> <li>3. Several departments argue that their mandate already orients them toward integrating environmental factors in PPPs and that SEA does not add as much value as it would otherwise. However, they do not see SEA explicitly duplicating other risk assessment or management accountability processes.</li> <li>4. There’s a very strong agreement among interviewees that there is a continued need for integrating env effects when developing PPPs; however, many also believe that the Directive could be clarified in order to provide more comprehensive guidance to the implementation of SEA. Some interviewees noted that the Directive could be strengthened to better reflect the links between the three pillars of SD (environment, economy and social).</li> </ol>
<p><i>Implementation:</i>                      Are the most appropriate, effective and efficient means being used to achieve outcomes?                      (Effectiveness/Success)</p>	<ol style="list-style-type: none"> <li>5. Are departments conducting SEAs when developing PPP for Ministerial or Cabinet approval when appropriate?</li> <li>6. Are environmental considerations being integrated early enough into the development process to affect decision-making? Are the environmental effects of alternatives being considered?</li> <li>7. Do decision-makers have appropriate and sufficient information to conduct SEAs?</li> <li>8. Is the application of the Cabinet Directive changing the conception, selection and design of PPP?</li> <li>9. Do departments ensure the quality of their preliminary scans or detailed SEAs?</li> <li>10. Do departments follow up their SEAs and monitor the implementation of the PPP to determine whether there are unexpected environmental consequences?</li> <li>11. What are the key successes and challenges at the departmental level (i.e., what is working well, what are key success factors)?</li> <li>12. What have been the environmental benefits of conducting SEAs?</li> <li>13. Are there any positive or negative unexpected consequences associated with conducting SEAs?</li> <li>14. Is the Cabinet Directive leading to more and better</li> </ol>	<ol style="list-style-type: none"> <li>5. The record is mixed; there is little evidence that departments are systematically conducting SEAs for Ministerial Decisions (exceptions include Parks and CIDA). Departments reported conducting SEAs for MCs, but some departments have misplaced the SEAs and could not provide evidence that they had conducted them; most SEAs conducted are preliminary scans as opposed to detailed SEAs. There does not appear to be a consistent correlation between the level of anticipated environmental effects and the conduct of SEAs. Several departments (e.g., CIDA, DFO, NRCan, DFAIT, TC, FIN, PHAC, and Parks) have internal procedures to determine when to conduct SEA, but not all do.</li> <li>6. A large majority of interviewees expressed the view that environmental effects are most often considered late in the process, after the preferred option has been selected and therefore too late to affect the design of the PPP. There is less opportunity to consider environmental factors early in the process when the process is driven from the top opposed to when it’s driven from the bottom.. The government’s overall policy stance towards the environment sets the context and priority for conducting SEAs. Respondents expressed the view that the environmental effects of alternatives are not being considered at all or are only considered on a case-by-case basis. Alternatives analysis was not identified as a component of the SEA reports reviewed for the evaluation. This was noted as a systemic flaw that can be attributed to the late completion of SEA reports in the policy development process.</li> <li>7. Mixed evidence – some respondents argue that it is difficult to conduct SEAs in the absence of national environmental objectives; others argue that the officials conducting SEAs often lack the necessary training and expertise (most analysts will do very few if any SEAs during their career and therefore have few opportunities to become skilled at the process). However, some departments (e.g., NRCan, HC and CIDA) have established EA or SD units that support the conduct of SEAs across the department. It was generally agreed that SEA informs the decision, but does not make the decision. For departments where the SEA process is not working well, interviewees indicated that the SEA does not provide sufficient or timely information for decision making.</li> <li>8. Almost no evidence available on this point; many respondents argue that it is impossible to find evidence on this point when the SEA is conducted early in the process, b/c environmental factors would have been incorporated seamlessly into the PPP. A few respondents noted that proposals have been modified (with corporate SEA group review/challenge). Generally SEAs are completed late in the policy development process, negating the possibility of changing a policy, program or plan proposal. t SEA seen as peripheral or as a last minute add-on.</li> <li>9. SEA is a self assessment process and the conduct of SEAs is therefore widely distributed across government; some departments have internal QA/QC processes (e.g., formal review of SEAs at Senior management level). In some departments, the central EA unit is available to assist in the</li> </ol>

Evaluation Issues stated by the Evaluation Advisory Group	Evaluation Sub-Issues	Assessment based on evidence collected from the multiple lines of inquiry
	<p>attention to cumulative effects? Are SEAs accounting for cumulative effects effectively?</p> <p>15. Do SEAs effectively address issues in project level planning and assessments? Is the resulting guidance presented in SEAs useful in project development and review?</p> <p>16. Is the current self assessment model working? Are there alternative approaches for integrating environmental considerations into the development of PPP?</p>	<p>development of the SEA and/or to review an SEA after completion; other departments can provide process assistance to policy analysts, but not quality control. At a government-wide level, CEAA provides advice on process and checks process compliance, but does not do QA/QC of individual SEAs. PCO analysts do not have the training to do QA/QC of SEAs associated with MCs. TBS sees its role as verification of whether SEA has been done (after the fact, not 'enforcement').</p> <p>10. No evidence to indicate that follow-up on SEAs.</p> <p>11. <u>Success factors</u> – predisposition in some departments because of mandate (e.g., DFO) or awareness of importance of environmental issues; depth of and/or access to expertise; strong management systems; clear accountabilities; quality of internal guidance material in some departments; commitment by individual analysts; early integration.  <u>The main challenges</u> – lack of training and expertise; lack of time; lack of senior management support; SEA started too late in the process; little accountability of analysts, managers or departments; in some cases lack of resources; insufficiently clear guidance; secrecy of the Cabinet process (which hampers involvement of experts not working on the file).</p> <p>12. Little evidence from SEA reports that they have made a direct difference in terms of env benefits. Majority of interviewees highlighted enhanced environmental awareness and knowledge sharing.</p> <p>13. Little evidence – some respondents noted that SEA has improved intra- and interdepartmental cooperation; and that the SEA process has increased environmental knowledge, particularly for policy and program analysts. In some cases SEA has helped develop stronger linkages between departmental-level environmental expertise and program staff. At another level, SEA has helped foster a stronger working relationship between departments and CEAA.</p> <p>14. Overall cumulative effects assessment is either not done or is done poorly. Several departments have not conducted detailed SEAs and the issue has not come up (this issue not relevant to all departments); some departments saw the main benefit of SEA being the consideration of cumulative effects. Parks Canada seems to be explicitly considering cumulative effects (regional, strategic level issues that define ecological parameters for future projects to meet). SEA reports: cumulative effects only required in detailed assessment, not scan; in general, cumulative effects not well considered, though there are notable exceptions</p> <p>15. Mixed - It's not always relevant; some have not made the link but others have found it useful (e.g., siting considerations related to windmill development) and use their SEAs to guide future project EAs. Some analysts may do SEAs but not be involved in any project EA and therefore are not in a position to appreciate the connection. Some analysts do not understand the role SEA can play in streamlining future project level EA, and as a result, do not use SEA to its full potential. Some people suggested that better guidance on the link should be provided. SEA reports: typically projects that likely will need an EA are identified, but no further guidance on streamlining such EAs; calls into question whether this remains a realistic objective/benefit of SEA</p> <p>16. In general, self assessment is not working well b/c of insufficient training, guidance, quality control and accountability; however, the great majority of interviews believe that it remains the best approach to follow (i.e. it can be made to work). See below for suggestions for improvement.</p> <p>Alternative approaches identified over the course of the evaluation include:</p> <ul style="list-style-type: none"> <li>• Improve guidance, more training, clarify directive and guidelines; clarify guidelines for drafting MCs (status quo +)</li> <li>• Legislate SEA requirement (see report to RAC for how it would work)</li> <li>• Expand scope of SEA to include SD principles (streamline to one process)</li> <li>• Consider narrowing application of Cabinet Directive to natural resource and economic development departments</li> <li>• Limit application of SEA to PPP that will have <b>negative</b> environmental impacts</li> </ul>

Evaluation Issues stated by the Evaluation Advisory Group	Evaluation Sub-Issues	Assessment based on evidence collected from the multiple lines of inquiry
		<ul style="list-style-type: none"> <li>• Give CEAA authority to do detailed SEAs on behalf of departments (Dutch model). This may build on project EA reform that seems to be going in the same way.</li> <li>• Formalize accountability (e.g., engage PCO as ‘point of responsibility’ for ensuring SEA ; formalize senior management accountability; establish a centralized challenge function either within a department and/or within the government)</li> <li>• Give EC more resources to play active QA/QC role in interdepartmental discussions on draft MCs. This would require senior management support in EC and acceptance around town. Or, create a group in government to help support all departments in developing their SEAs (i.e., one centralized expertise group could do all the SEAs). This body could be affiliated with EC or CEAA, they would be independent, would be funded by the government. A more proactive role would build on departments preparing advanced lists of upcoming MCs that would flag to expert departments what initiatives could be coming up so that they could be involved early in the process.</li> </ul>
<p><i>Transparency and Accountability: Is the process developed from the policy requirement transparent where possible? Are accountabilities clear within government?</i></p> <p><i>Capacity: Is the policy designed and delivered in the best possible way?</i></p> <p><i>(Efficiency)</i></p>	<p>17. Are responsibilities and accountabilities for implementing SEA within departments across the federal government clear and appropriate? Are management systems and structures operating effectively?</p> <p>18. Is support (e.g. tools, training, guidance, etc.) provided by Departments or the Agency useful and is helping departments implement the Cabinet Directive?</p> <p>19. How do departments reflect public and stakeholder concerns in their SEAs? What are the limitations to addressing stakeholder interests (e.g., Cabinet confidentiality)?</p> <p>20. Is the government transparent about the environmental analysis conducted in an SEA? Are SEA results and analysis made available to the public?</p> <p>21. Are there sufficient resources being allocated to implementing the Cabinet Directive? What resources are required?</p>	<p>17. Within departments – allocation of responsibilities and accountabilities varies. Some departments have management systems for the development of MCs that explicitly include the preparation of SEAs and allocate roles to the cabinet liaison office, the initiatives manager and a central EA support group. R&amp;Rs include QC and process compliance (e.g., NRCan). In other departments there is no explicit mgmt system for SEAs, in some cases because environmental considerations are not as central to the department’s mandate. In those systems there may not be explicit internal guidance or explicit allocation of roles. Across government – most interviewees believe that the current allocation of R&amp;Rs is inadequate. The current guidelines do not give PCO a role in administering the process; a large number of interviewees want PCO to play a strong role in holding departments accountable for conducting SEAs where appropriate. There is a lack of accountability in the SEA process, if you don’t do an SEA or do a bad SEA there is little consequence. PCO analysts do not appear to be trained to play a challenge function (on process) and, in any event, have not played that role consistently in the past; in some cases PCO analysts have told departments not to bother to prepare an SEA or to remove pertinent information from proposals. Despite having their role explicitly defined in the Cabinet Directive, the evaluation found that EC is not fulfilling their role of providing technical support to their federal colleagues. From a systemic perspective, EC is not well connected to the federal SEA process.</p> <p>18. Several departments provide tools to support SEA, which include training, checklists, case studies, and templates. CEAA has also provided ongoing training. Many interviewees nevertheless believe that current levels of training are insufficient b/c training is done on a voluntary basis, analysts move, or training is not sufficiently detailed (too generic). It was suggested that the Agency should play more of a standard-raising, best practice sharing role, as well as house expertise or advisory services. Where management / review systems are in place and actively implemented, there are ‘good SEA processes’ in the department (tracking, review function by mngt/SEA group, active training/support, public statements, e.g., TC, FIN, Parks). ; from SEA reports: a departmental template that is closely aligned with the Directive was a strong indicator of likelihood of a sound and thorough SEA</p> <p>19. Departments do not generally consult external stakeholders when completing their SEAs (with exceptions – DFAIT consults as part of trade negotiations), but will consult their stakeholders as part of the normal PPP development process where they have the opportunity to do so. Limited evidence highlighting that departments and agencies are leveraging information from other public consultation mechanisms into their SEAs. <u>Limitations</u> – to the extent that SEAs are developed as part of the MC process, departments are unable to consult widely b/c of the need to maintain cabinet confidences; in some cases, stakeholders are defined too narrowly or are too dispersed; there is insufficient time or <u>resources for</u> consultations; and/or there is fear of consultation fatigue. Some confusion that the Directive means actually doing new, additional consultations – i.e., lack of reliance on other mechanisms to understand the public.</p> <p>20. Limited evidence was found to demonstrate the transparency of environmental analysis - guidance usually indicates that transparency is required via public statements but discretion is allowed in content and format. SEA public statements are not always publicly available. Some secrecy concerns were noted. From SEA reports: little or no attention in the MC’s communications considerations regarding SEA</p> <p>21. While some departments would like to have more resources to do SEA, resource constraints did not emerge as the main barrier to effective SEA</p>

<b>Evaluation Issues stated by the Evaluation Advisory Group</b>	<b>Evaluation Sub-Issues</b>	<b>Assessment based on evidence collected from the multiple lines of inquiry</b>
		<p>practice across government. Several departments believe they have adequate resources; those that would like more resources tend to formulate modest demands. A greater commitment to integrating environmental factors systematically into decision-making, however, would require additional resources. From a corporate perspective, EC, CEAA, and PCO have not been provided with the appropriate resources to fulfil its function as defined in the Cabinet Directive.</p>

## **APPENDIX B**

### **List of Interviewees and Interview Guides**

## Interviewee Title and Organization

<b>Title</b>	<b>Department /Organization</b>	<b>Division</b>
Director General	Agriculture and Agri-Food Canada (AAFC)	Policy, Planning and Integration - Strategic Policy Branch
Senior Policy Analyst	AAFC	Adjustment & Development Strategic Policy Development
Senior Policy Analyst	AAFC	Income Stabilization
Senior Analyst, Sustainability Planning and Analysis	AAFC	Strategic Management Directorate
Senior Advisor	Atlantic Canada Opportunities Agency	Cabinet and Policy Advocacy
Manager	Canadian Revenue Agency	Sustainable Development Division - Strategic Mgmt and Program Support Directorate
Senior Policy Analyst	Canadian Environmental Assessment Agency (CEAA)	Policy Analysis
Vice-President	CEAA	Policy Development
Senior Policy Advisor	CEAA	Policy Analysis
Environmental Specialist	Canadian International Development Agency (CIDA)	North Africa, Middle East and Maghreb
Manager	CIDA	Environmental Assessment and Compliance Unit
Director	CIDA	Environmental Sustainability Division
Senior Development Officer	CIDA	Tanzania Program
Environment Specialist	CIDA	Maghreb Environmental Assessment and Compliance
Senior Development Officer	CIDA	Ethiopia Program
Country Program Manager	CIDA	Ukraine Section
Director	Citizenship and Immigration Canada	Horizontal Immigration Policy Division
Manager - Performance and Reporting	Citizenship and Immigration Canada	Corporate Planning and Reporting
Analyst	Economic Development Agency of Canada for the Regions of Quebec	Policy, Research and Programs
Director	Environment Canada	Sustainable Development Strategies
Manager	Environment Canada	Environmental Assessment Division
Officer	Finance Canada	Economic Development and Corporate Finance Branch

<b>Title</b>	<b>Department /Organization</b>	<b>Division</b>
General Director	Finance Canada	Tax Policy Branch
Director General	Fisheries and Oceans Canada	Strategic Priorities and Planning
Policy Analyst (DFO SEA Coordinator)	Fisheries and Oceans Canada	Strategic Priorities and Planning
Deputy Director	Foreign Affairs and International Trade	Sustainable Development Division
Senior Environmental Policy Advisor	Foreign Affairs and International Trade	Sustainable Development Division
Senior Policy Analyst	Health Canada	Strategic Policy Branch
Project Manager	Health Canada	Pest Management Regulatory Agency
Assistant Director	Health Canada	Office of Sustainable Development
Environmental Policy Analyst	Indian and Northern Affairs Canada (INAC)	Environmental Policies and Studies
Senior Policy Advisor	INAC	Strategic Policy Directorate
Senior Policy Analyst (SEA Specialist for IC)	Industry Canada	Strategic Policy Branch
Senior Program Officer	Industry Canada	Policy and Research
Director	Industry Canada	Security and Prosperity Partnership Secretariat
Principal Advisor Policy	Infrastructure Canada	Policies and Priorities
	Institute of The North American West	
Sustainable Development Co-ordinator	Justice Canada	Advisory and Development Services Section
Acting Section Head	National Defence	Environmental Assessment
Senior Policy Analyst	Natural Resources Canada (NRCan)	Strategic Issues Division Earth Sciences Sector
Senior Policy Advisor	NRCan	Major Projects Management Office
Senior Policy Analyst SEA Coordinator	NRCan	Science and Policy Integration
Director General	NRCan	Strategic Integration Services Science and Policy Integration
Policy Analyst	NRCan	Strategic Analysis and Policy Development Canadian Forest Service
Head	Parks Canada	Environmental Assessment - National Office
Senior Strategic Policy and Planning Advisor	Parks Canada	Mountain Parks
Director of Operations	Privy Council Office (PCO)	Economic and Regional Development Policy

<b>Title</b>	<b>Department /Organization</b>	<b>Division</b>
Senior Analyst	PCO	Economic and Regional Development Policy
Senior Analyst	PCO	Economic and Regional Development Policy
Director	PCO	Cabinet Papers System Unit
Policy Analyst	Public Health Agency of Canada	Office of Sustainable Development
Director	Public Health Agency of Canada	Strategic Policy and Planning Division
Policy Manager	Public Health Agency of Canada	Strategic Policy and Planning Division
Portfolio Director	Public Works and Government Services Canada (PWGSC)	Engineering Assets Strategy
Manager of Environmental Assessment and Sustainable Project Delivery	PWGSC	Environmental Services Directorate
Senior Project Manager	PWGSC	Bridges and Dams
	Sierra Club of Canada	NGO
Director General	Transport Canada	Environmental Affairs - Programs
Manager	Transport Canada	Environmental Assessment
Senior Analyst	Treasury Board of Canada	Industry, Science, Regional Development and Regulatory Issues
Senior Analyst	Treasury Board of Canada	Environment and Transportation
Associate Professor	University of Saskatchewan	Academia
Executive Director	Western Economic Diversification Canada	Policy - Planning and Performance Measurement
Senior Policy Analyst	Western Economic Diversification Canada	Policy
Policy and Planning Officer	Western Economic Diversification Canada	Policy
Practitioner		

---

## Interview Guides

---

### **Subject: EVALUATION OF THE CABINET DIRECTIVE ON THE ENVIRONMENTAL ASSESSMENT OF POLICY, PLANS AND PROGRAM PROPOSALS**

The Canadian Environmental Assessment Agency (the Agency) is managing an integrated evaluation that will measure the effectiveness of the process in implementing the Cabinet Directive as well as measure the outcomes in an effort to determine the overall impact of the Cabinet Directive on decision making within departments, agencies, and across the Government of Canada. The impetus for this evaluation is a government commitment made in response to the October 2004 Report of the Commissioner of the Environment and Sustainable Development (CESD) on Strategic Environmental Assessment (SEA)<sup>17</sup>.

The Agency has retained the services of Stratos Inc. in cooperation with Alison Kerry (Environmental and Management Consultant) and Tom Shillington (Shillington & Burns Consultants Inc.) to assist with the delivery and implementation of the evaluation.

As part of the evaluation, Stratos will be contacting relevant program personnel and asking for their participation in an interview to provide direct evidence to address questions posed within their evaluation framework. The interview will take no longer than 45 minutes and all of the information provided will be non-attributable.

You have been selected as a key informant for this evaluation and we hope that you will be able to provide your thoughts and views to the evaluation consultants. A member of the Stratos Team will be contacting you shortly to schedule an interview with you. The information collection and analysis phase of the evaluation is scheduled to be carried out over January and February 2009. Your input is critical to this review and we thank you in advance for your participation. Below is a series of questions that will serve as the basis for the scheduled interview.

If you have any comments or concerns, please feel free to contact Ann Clarke, CEAA, 613-957-0538 ([Ann.Clarke2@ceaa-acee.gc.ca](mailto:Ann.Clarke2@ceaa-acee.gc.ca)) or Michael Gullo, Assistant Project Manager, Stratos Inc, 613-241-1001 ex. 231 ([mgullo@stratos-sts.com](mailto:mgullo@stratos-sts.com)).

---

<sup>17</sup> For additional information on the audit report released by the CESD in 2004, please refer to: <http://www.oag-bvg.gc.ca/internet/docs/c20041004ce.pdf>

## **Interview Guide for Analysts**

### **Introduction**

1. What is your role in implementing the Cabinet Directive? How long have you had this role?
2. Who is responsible for drafting SEAs within your organization (e.g. policy analysts, program managers, etc.)?

### **Relevance**

3. Is there a continued need for the Cabinet Directive and its Guidelines to ensure that environmental and sustainability considerations are integrated into the development of programs, plans, and policies? Are there other ways of ensuring this?
4. Do you feel that there is a common agreement/understanding of when and how to apply SEA within your organization?
5. Do you use your organization's sustainable development goals and targets in conducting SEAs?
6. Do SEAs provide an appropriate level of information to senior managers in your organization to make rigorous choices about policy or program options?

### **Effectiveness/Success**

7. Are environmental considerations being integrated early enough into the development process to affect decision-making? Are SEAs including an appropriate analysis of alternatives?
8. Is the application of the Cabinet Directive changing the design, conception and selection of policies, plans, and programs in your organization? Can you provide any examples?
9. What quality assurance and quality control mechanisms exist within your organization to ensure that SEAs are accurate and comprehensive?
10. Do SEAs effectively account for cumulative effects? Are they a required component of your preliminary scans and SEA reports?
11. Are SEAs adding value to the project level environmental assessment process? How so?
12. What key challenges do you face when trying to complete SEAs?
13. What key success factors can you identify with the successful completion of SEAs for programs, policies, and programs in your organization?
14. Does your organization periodically review or evaluate its performance regarding the successful completion of SEAs?
15. Are there any positive or negative unexpected outcomes associated with the SEA process or SEA reports?
16. Do you feel that the Canadian Environmental Assessment Agency and the Privy Council are helpful in fulfilling SEA requirements within the federal government?

**Efficiency**

17. Do SEAs save your organization time and money by reducing potential environmental liabilities before they arise?
18. How clear is the requirement for stakeholder involvement? Do existing mechanisms for stakeholder involvement adequately address stakeholder concerns? Are stakeholder concerns reflected in final SEA reports?
19. Are SEA results available to the public? How so?
20. Do you feel that an acceptable level of resources is allocated to the completion of SEAs in your organization? If not, what resources are required that can assist with the successful completion of SEAs?
21. What two recommendations would you make to improve the state of SEA within your organization?
22. What two recommendations would you make to improve the state of SEA across the Government of Canada?

**Interview Guide for Managers****Introduction**

1. What is your role in the SEA process in the department?

**Relevance**

2. Do you feel that there is a common agreement/understanding of when and how to apply SEA within your organization?
3. Is there a continued need for the Cabinet Directive and its Guidelines to ensure that environmental and sustainability considerations are integrated into the development of programs, plans, and policies? Are there other alternatives?
4. Do you feel that SEAs are informing decision-makers or influencing outcomes?

**Success/Effectiveness**

5. Is the application of the Cabinet Directive changing the design, conception and selection of policies, plans, and programs in your organization? Any examples?
6. What key challenges does the department face when trying to complete SEAs?
7. What key factors can you associate with the successful completion of SEAs for programs, policies, and programs in your organization?
8. Do you feel that the Canadian Environmental Assessment Agency and the Privy Council are helpful in fulfilling SEA requirements within the federal government?
9. Does SEA allow the department to integrate environmental considerations into the development of policies, programs, and plans, thereby promoting sustainable development?
10. Does applying SEA lead to improved proposals that optimize environmental effects and minimize negative environmental effects?
11. Does applying SEA provide you with the appropriate information to streamline or focus project level EA?

**Efficiency**

12. Do SEAs save your organization time and money by reducing potential environmental liabilities before they arise?
13. Do you feel that an acceptable level of resources is allocated to the completion of SEAs in your organization? If not, what resources are required that can assist with the successful completion of SEAs?
14. What two recommendations would you make to improve the state of SEA within your organization?

**Interview Guide for Central Agencies****Introduction**

1. What is your role in the SEA process at the departmental and government-wide levels?
2. How do you help departments determine when an SEA is required? Do decision making frameworks or other guidance materials exist?
3. How do you, as a central agency, ensure that the Cabinet Directive is followed

**Relevance**

4. Are current SEA requirements leading to improved initiatives that deliver positive steps towards sustainability? Do SEAs help the Government of Canada achieve sustainable development goals and targets?
5. Does the Cabinet Directive support or duplicate other risk assessment/management accountability frameworks in the federal government?
6. Is there a continued need for implementing the Cabinet Directive to ensure that environmental and sustainability considerations are integrated into plans, policies, and programs? Are there other alternatives?

**Success/Effectiveness**

7. Are departments completing SEAs for programs, policies and plans that require Ministerial or Cabinet approval early enough so that they can affect decision-making?
8. Is the current self-assessment model working? If not, what is needed to make it work better?
9. Are there any positive or negative unexpected outcomes associated with conducting SEAs?
10. What success factors can you associate with effective SEAs?
11. Do you feel that the Canadian Environmental Assessment Agency and the Privy Council are helpful in fulfilling SEA requirements within the federal government?

**Efficiency**

12. Are roles and responsibilities for implementing the Cabinet Directive clear for all of the involved stakeholders within the federal government?

13. What support or guidance do you provide to departments/agencies to determine when SEAs should be completed as well as when final SEA reports need to be submitted to central authorities?
14. What steps can you recommend that would enhance the SEA process within the federal government?

### **Interview Guide for PCO**

1. Do you look for evidence that an SEA has been done in interdepartmental meetings on a draft MC or in the MC itself?
2. Do departments comply with the Directive?
3. What is the quality of the SEAs that you see?
4. What has been the impact of the Directive on the integration of environmental considerations on plans, policies, and programs?
5. Is there a continued need for the Cabinet Directive?
6. What role do you think PCO should play in ensuring that the Directive is applied?
7. Is there a need for the MC writing guidelines to make more explicit reference to the need to do SEAs?
8. Can you identify other government processes or requirements that ask departments/agencies to describe potential environmental impacts associated with policies and programs?
9. What recommendations would you make to improve SEA across the government?

### **Interview Guide for External Stakeholders**

1. What SEAs are you familiar with?
2. What are the key success factors to completing SEAs that are of value to departments and the Government of Canada?
3. What are the key impediments to successfully applying the Cabinet Directive in the federal government?
4. How can SEAs complement existing federal initiatives such as sustainable development strategies or risk management?
5. Is the Cabinet Directive leading to more and better attention to cumulative effects of concern to Canadians? Are SEAs accounting for cumulative effects effectively?
6. What impact is SEA having on the delivery of programs, plans, and policies? What impact on project level EAs?
7. Is the current self assessment model working? Can you identify any alternative approaches for integrating environmental considerations into the development of policies, plans and programs?
8. Do you think that Canada's current approach to SEA is working? Are there better models in Canada or internationally that could be considered?

## **APPENDIX C**

### **Electronic Survey Summary Report**

## TABLE OF CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>1</b>
1.1	PURPOSE .....	1
1.2	ABOUT THE SURVEY .....	1
<b>2</b>	<b>SURVEY RESULTS.....</b>	<b>2</b>
2.1	PARTICIPANT INFORMATION.....	2
	<i>Responsibilities related to SEAs.....</i>	<i>2</i>
2.2	HISTORY OF SEAS AT THE DEPARTMENTAL LEVEL .....	2
	<i>Year of first SEA.....</i>	<i>2</i>
	<i>Number of detailed SEA reports since 2004 .....</i>	<i>3</i>
	<i>Number of preliminary scans since 2004 .....</i>	<i>3</i>
2.3	IMPLEMENTATION OF SEA IN DEPARTMENTS AND AGENCIES.....	4
	<i>Systematic scan of PPP proposals sent to Ministers or Cabinet for environmental implications.....</i>	<i>4</i>
	<i>Requirement to complete preliminary scan or detailed SEA.....</i>	<i>4</i>
	<i>Engagement of the Privy Council Office, the Agency, and/or Treasury Board in the SEA process .....</i>	<i>5</i>
	<i>Timing of completion of preliminary scan or SEA .....</i>	<i>5</i>
	<i>Consistent reference in Treasury Board Submissions or Memorandums to Cabinet... </i>	<i>6</i>
	<i>Responsibility for drafting preliminary scans and SEAs .....</i>	<i>6</i>
	<i>Internal process for conducting SEAs .....</i>	<i>7</i>
	<i>SEA tools available in departments/agencies .....</i>	<i>7</i>
	<i>Usefulness of tools in assisting analysts with SEAs .....</i>	<i>8</i>
	<i>Consideration of alternatives during the SEA process.....</i>	<i>8</i>
	<i>Consideration of cumulative environmental effects .....</i>	<i>9</i>
	<i>Integration of stakeholder concerns into departmental SEA analysis.....</i>	<i>9</i>
	<i>How to improve integration .....</i>	<i>10</i>
	<i>Limitations to addressing stakeholder interests.....</i>	<i>10</i>
	<i>Responsibility for reviewing preliminary scans .....</i>	<i>11</i>
	<i>Responsibility for reviewing SEAs .....</i>	<i>11</i>
	<i>Existence of quality control measures for completing SEAs.....</i>	<i>12</i>
	<i>Communication of SEA results to central agencies.....</i>	<i>12</i>
	<i>Issuance of Public Statements of Environmental Effects .....</i>	<i>13</i>
	<i>How SEAs are provided to the public .....</i>	<i>13</i>
	<i>Accountability for ensuring that SEAs are conducted for ministerial decisions or cabinet submissions .....</i>	<i>14</i>
	<i>Quality of information of preliminary scans.....</i>	<i>14</i>
	<i>Quality of information of SEAs .....</i>	<i>15</i>
	<i>Influence of departmental SEAs on PPP development.....</i>	<i>15</i>
	<i>Follow up to ensure SEA findings, conclusions, etc., are effective .....</i>	<i>16</i>
	<i>Positive or negative unexpected outcomes associated with conducting SEAs.....</i>	<i>16</i>
	<i>Sufficient financial resources for the effective completion of SEAs .....</i>	<i>16</i>

---

<i>Sufficient staffing resources for the effective completion of SEAs .....</i>	<i>17</i>
<i>Appropriateness of the level of effort to conduct SEAs .....</i>	<i>17</i>
<i>Modification of a PPP as a result of the findings and conclusions from a preliminary scan or SEA.....</i>	<i>18</i>
<i>Top three barriers / challenges to conducting SEAs .....</i>	<i>18</i>
<b>2.4 IMPLEMENTATION ACROSS GOVERNMENT .....</b>	<b>18</b>
<i>Clarity of the Cabinet Directive and supporting guidelines .....</i>	<i>18</i>
<i>Services provided by the Agency for SEAs.....</i>	<i>19</i>
<i>Agency’s usefulness in supporting the SEA process across government.....</i>	<i>19</i>
<i>Duplication of other risk assessment / management accountability frameworks in the federal government .....</i>	<i>20</i>
<i>The three most important things to improve the SEA process .....</i>	<i>20</i>
<i>Additional comments .....</i>	<i>20</i>
<b>ANNEX 1 – SURVEY RESPONDENTS TITLE AND ORGANIZATION.....</b>	<b>21</b>
<b>ANNEX 2 – SURVEY QUESTIONS .....</b>	<b>23</b>

## **1 Introduction**

---

### **1.1 Purpose**

Stratos Inc., in consultation with the Project Authority, implemented an electronic survey of the integration of environmental considerations into departmental policy, plan and program (PPP) development. The survey was designed to identify and confirm the relative strengths and weaknesses of the current approach to implementing the *Cabinet Directive on Environmental Assessments of Policy, Plans and Program Proposals*, including management, administration and support structures and processes in the respective departments and agencies.

### **1.2 About the Survey**

The survey instrument was comprised of 40 questions designed to collect factual information on SEA practices across the Government. The survey was distributed to approximately 80 people in 22 departments / agencies in November 2008. The survey remained open through to January, 2009. The survey was created and administered using SurveyMonkey®, an online survey tool. A total of 47 started the survey and 43 completed it (refer to Appendix B for respondents' titles and affiliations).

This report provides a summary of aggregated responses. Responses at the departmental or individual level are not provided in an effort to ensure confidentiality and to provide an analysis at the Government-wide level.

## 2 Survey Results

### 2.1 Participant Information

#### Responsibilities related to SEAs

	Response Percent	Response Count
Drafting preliminary scans	50.0%	23
Drafting SEAs	32.6%	15
Managing the completion of SEAs	52.2%	24
Reviewing SEAs	63.0%	29
Other/Comment (please specify)		32
<i>answered question</i>		46
<i>skipped question</i>		1

The majority of respondents have had responsibility and/or are responsible for more than one activity related to SEAs. Most are responsible for reviewing SEAs. One respondent commented that he is responsible for all activities, but no two activities for the same SEA. Several respondents replied that they are not responsible for any of the five prescribed activities, but are involved in related activities, such as drafting SEA policy or coordinating SEAs at the departmental level.

### 2.2 History of SEAs at the Departmental Level

#### Year of first SEA

	Response Percent	Response Count
Before 1999	20.0%	9
Between 1999 and 2004	35.6%	16
After 2004	6.7%	3
Not sure	37.8%	17
<i>answered question</i>		45
<i>skipped question</i>		2

Many respondents were unsure when their department conducted its first SEA. Of those who could provide an answer, most responded that their department/agency first conducted an SEA between 1999 and 2004.

**Number of detailed SEA reports since 2004**

	Response Percent	Response Count
Less than 5	11.1%	5
Between 6 and 10	6.7%	3
Between 11 and 20	0.0%	0
Greater than 21	17.8%	8
Already provided to Evaluation Team	20.0%	9
Not sure	44.4%	20
<i>answered question</i>		<b>45</b>
<i>skipped question</i>		<b>2</b>

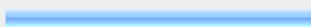
**Number of preliminary scans since 2004**

	Response Percent	Response Count
Less than 5	4.4%	2
Between 6 and 10	6.7%	3
Between 11 and 20	6.7%	3
Greater than 21	24.4%	11
Already provided to Evaluation Team	22.2%	10
Not sure	35.6%	16
<i>answered question</i>		<b>45</b>
<i>skipped question</i>		<b>2</b>

Many respondents were unsure how many detailed SEA reports and preliminary scans had been conducted by their department since 2004.

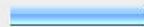
### 2.3 Implementation of SEA in Departments and Agencies

#### ***Systematic scan of PPP proposals sent to Ministers or Cabinet for environmental implications***

	Response Percent	Response Count
Always 	58.1%	25
Sometimes 	18.6%	8
Never	0.0%	0
Not sure 	23.3%	10
Comment:		17
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

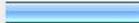
Survey responses indicate that the majority of departments and agencies always systematically scan proposals for environmental implications. However, nearly one quarter of participants was unsure whether proposals are systematically scanned. Some comments worth noting include that one department has procedures in place to scan submissions, but these procedures are not always followed, and that another department has made considerable strides to improve the systematic scanning of proposals.

#### ***Requirement to complete preliminary scan or detailed SEA***

	Response Percent	Response Count
Cabinet submissions only 	16.3%	7
Ministerial decisions only	0.0%	0
<b>Cabinet submissions and ministerial decisions</b> 	<b>58.1%</b>	<b>25</b>
Not sure 	25.6%	11
Other/Comment (please specify)		14
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

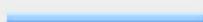
Consistent with the results of the previous survey question, over a quarter of respondents were unsure when preliminary scans or detailed SEAs are required. Survey responses indicate that the majority of preliminary scans or detailed SEAs are conducted for cabinet submissions and ministerial decisions. Several respondents also noted that SEAs are conducted by their department for other purposes, such as management planning or development of Sustainable Development Strategies.

### **Engagement of the Privy Council Office, the Agency, and/or Treasury Board in the SEA process**

	Response Percent	Response Count
Before drafting SEAs 	14.0%	6
While drafting SEAs 	20.9%	9
When submitting SEAs for approval 	9.3%	4
Never 	25.6%	11
Not sure 	51.2%	22
Comments:		19
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

The majority of respondents were unsure whether their departments engage the PCO, CEEA and/or TB in the SEA process. Noteworthy comments included that there is often a lack of time to consult other departments, and that PCO rarely contributes and sometimes limits a department's ability to encourage analysis and reflect findings in cabinet documents.

### **Timing of completion of preliminary scan or SEA**

	Response Percent	Response Count
Early in the policy/program/plan development process 	48.8%	21
After the policy/plan/program has substantially been developed 	37.2%	16
Not sure 	14.0%	6
Other/Comment (please specify)		20
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

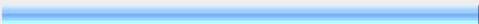
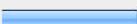
Responses indicate that nearly half of the departments/agencies surveyed conduct preliminary scans or detailed SEAs early in the PPP development process. One respondent replied that preliminary scans/SEAs are, in theory, done early, but are typically done mid-to-late in the process, if at all. Another responded that it depends on the proposal and the person responsible for the file. She elaborated by stating that departmental instructions for early integration are often ignored because there are no consequences to not starting early and most policy developers consider the SEA process low value.

### **Consistent reference in Treasury Board Submissions or Memorandums to Cabinet**

	Response Percent	Response Count
Yes 	65.1%	28
No 	4.7%	2
Not sure 	30.2%	13
Comments:		13
<i>answered question</i>		43
<i>skipped question</i>		4

Survey responses indicate that SEAs are consistently referenced in Treasury Board submissions or MCs.

### **Responsibility for drafting preliminary scans and SEAs**

	Response Percent	Response Count
Policy Analysts / Senior Policy Analysts 	90.7%	39
Departmental EA / SEA specialists 	44.2%	19
Consultants 	25.6%	11
Not sure 	2.3%	1
Other/Comment (please specify)		16
<i>answered question</i>		43
<i>skipped question</i>		4

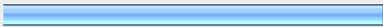
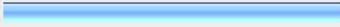
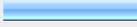
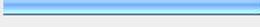
Responses indicate that policy analysts / senior policy analysts are largely responsible for drafting preliminary scans and SEAs. Project officers, partner organizations, and EA specialists were provided as additional drafters.

**Internal process for conducting SEAs**

	Response Percent	Response Count
Yes 	83.7%	36
No 	7.0%	3
Not sure 	9.3%	4
If yes, please identify and provide a copy of process / guidance material to Ann Clarke at Ann.Clarke@ceaa-acee.gc.ca		26
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

The majority of respondents replied that their department/agency has developed an internal process for conducting SEAs. Comments indicate that processes are currently under development in two departments.

**SEA tools available in departments/agencies**

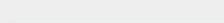
	Response Percent	Response Count
Training 	72.1%	31
Checklists 	65.1%	28
Matrices 	25.6%	11
Technical guidance documents 	72.1%	31
Templates 	72.1%	31
Case studies 	48.8%	21
None 	2.3%	1
Not sure 	4.7%	2
Other (please specify)		13
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

**Usefulness of tools in assisting analysts with SEAs**

	1	2	3	4	5	Not sure	Rating Average	Response Count
Training	2.7% (1)	5.4% (2)	13.5% (5)	35.1% (13)	18.9% (7)	24.3% (9)	4.35	37
Checklists	3.0% (1)	3.0% (1)	15.2% (5)	27.3% (9)	27.3% (9)	24.2% (8)	4.45	33
Matrices	0.0% (0)	13.8% (4)	20.7% (6)	6.9% (2)	0.0% (0)	58.6% (17)	4.69	29
Technical guidance documents	0.0% (0)	2.7% (1)	13.5% (5)	40.5% (15)	18.9% (7)	24.3% (9)	4.49	37
Templates	0.0% (0)	2.7% (1)	13.5% (5)	24.3% (9)	40.5% (15)	18.9% (7)	4.59	37
Case studies	3.1% (1)	3.1% (1)	15.6% (5)	21.9% (7)	21.9% (7)	34.4% (11)	4.59	32
Other	5.3% (1)	0.0% (0)	0.0% (0)	10.5% (2)	21.1% (4)	63.2% (12)	5.32	19
<i>answered question</i>								43
<i>skipped question</i>								4

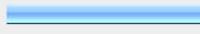
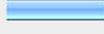
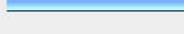
Responses indicate that very few departments/agencies have no tools available, and that training, technical guidance documents and templates are the most widely available tools. Tools were generally rated as useful in assisting analysts with SEAs.

**Consideration of alternatives during the SEA process**

	Response Percent	Response Count
Always 	14.0%	6
Sometimes 	32.6%	14
Never 	11.6%	5
Not sure 	41.9%	18
Other (please specify)		24
<i>answered question</i>		43
<i>skipped question</i>		4

Responses indicate that the majority of departments do not consider alternatives on a consistent basis, although many respondents were unsure whether alternatives are considered. As to why alternatives are inconsistently, if at all, considered included: SEAs are completed too late in the process; the PPP has already been defined; decisions have already been made at the political level; and, alternatives are not required for preliminary scans. Several respondents were unsure as to what 'alternatives' meant.

**Consideration of cumulative environmental effects**

	Response Percent	Response Count
Always 	37.2%	16
Sometimes 	18.6%	8
Never 	9.3%	4
Not sure 	34.9%	15
Other (please specify)		23
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

Many respondents were unsure whether their department/agencies' SEAs address cumulative environmental effects. Several respondents noted that when cumulative effects are considered, it is often a basic assessment or is poorly completed. Additionally, several felt that it was difficult to respond to this question because no detailed SEAs have been completed by their department and/or the respondent has had limited personal experience conducting SEAs.

**Integration of stakeholder concerns into departmental SEA analysis**

	1	2	3	4	5	Rating Average	Response Count
Stakeholder concern integration	16.3% (7)	11.6% (5)	48.8% (21)	11.6% (5)	11.6% (5)	2.91	43
Other/Comment (please specify)							29
<b>answered question</b>							<b>43</b>
<b>skipped question</b>							<b>4</b>

**How to improve integration**

	Response Percent	Response Count
Increased funding for consultation processes	2.3%	1
Improved guidance on engaging stakeholders	4.7%	2
Start SEA processes earlier	11.6%	5
Greater understanding of the benefits of SEA	23.3%	10
Not sure	20.9%	9
Other/Comment (please specify)	37.2%	16
	<i>answered question</i>	43
	<i>skipped question</i>	4

Nearly half of all respondents rated their departments' integration of stakeholder concerns as 3 out of 5. Several respondents noted that they had to select a number because 'Not sure' was not provided as an option. Responses indicate that departments tend to consult stakeholders on department-wide programs and policies, not specifically for the SEA process.

Of the options provided in the survey, a greater understanding of the benefits of SEA was selected as the best way to improve integration of stakeholder concerns. Additional suggestions for improved integration included: employment of an in-house SEA / environmental expert with a policy and economic background to draft, manage, advise and review SEAs; a departmental strategy for systematic SEA completion; and, a regulated SEA process for departments that operate outside of Canada. Several noted that they would have preferred to have been able to select more than one option.

**Limitations to addressing stakeholder interests**

Survey participants were asked to comment on the limitations to addressing stakeholder interests in SEAs. Lack of time and confidentiality were the most common limitations. Additional limitations included polarized/conflicting stakeholder interests, insufficient funding, and lack of a departmental strategy to address interests.

**Responsibility for reviewing preliminary scans**

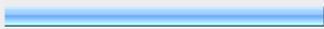
	Response Percent	Response Count
Senior Policy Analysts	53.5%	23
Managers	44.2%	19
Directors	41.9%	18
No one	0.0%	0
It is not a consistent position	20.9%	9
Not sure	11.6%	5
Other/Comment (please specify)		23
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

**Responsibility for reviewing SEAs**

	Response Percent	Response Count
Senior Policy Analysts	55.8%	24
Managers	44.2%	19
Directors	48.8%	21
No one	0.0%	0
It is not a consistent position	18.6%	8
Not sure	11.6%	5
Other/Comment (please specify)		25
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

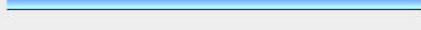
The majority of respondents selected senior policy analysts as having the responsibility for review preliminary scans and SEAs. Most selected more than one option, and several noted that it is the responsibility of environmental (EA/SEA) specialists to review preliminary scans and SEAs.

**Existence of quality control measures for completing SEAs**

	Response Percent	Response Count
Yes 	60.5%	26
No 	25.6%	11
Not sure 	14.0%	6
If yes, please describe/Comment:		26
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

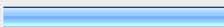
Responses indicate that quality control measures exist in most departments and agencies. The most common quality control measure noted by respondents was consistent review by an EA specialist, SEA coordinator, or SEA advisor. There were a few instances in which individuals from the same department selected different answers, perhaps indicating that 'quality control' is defined differently by different people or that departmental measures are not common knowledge.

**Communication of SEA results to central agencies**

	Response Percent	Response Count
Reports to Departmental Management Committee 	7.0%	3
References in Departmental Performance Reports 	16.3%	7
Submit SEA reports to Privy Council Office Analysts 	2.3%	1
Submit SEA reports to Treasury Board Analysts 	4.7%	2
<b>Not sure</b> 	<b>79.1%</b>	<b>34</b>
Other/Comment (please specify)		21
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

Nearly 80% of respondents were unsure how SEA results are communicated to central agencies. Of the options provided in the survey, reference in DPRs was selected as the primary method of communication. Several respondents who selected 'Not sure' noted that results were communicated as part of MCs or TB submissions.

**Issuance of Public Statements of Environmental Effects**

	Response Percent	Response Count
Always 	41.9%	18
Sometimes 	11.6%	5
Never 	11.6%	5
Not sure 	34.9%	15
Comments:		16
<i>answered question</i>		43
<i>skipped question</i>		4

Survey results indicate that Public Statements of Environmental Effects are always issued by most departments, although many respondents were unsure. A few respondents noted that public statements are only issued for detailed SEAs.

**How SEAs are provided to the public**

	Response Percent	Response Count
Departmental website 	27.9%	12
Available upon request 	16.3%	7
Not sure 	55.8%	24
Other/Comment (please specify)		16
<i>answered question</i>		43
<i>skipped question</i>		4

The majority of respondents were unsure how SEAs are provided to the public. Several respondents selected 'departmental website', but then commented that SEAs are not made available to the public, only public statements are posted on departmental websites.

### Accountability for ensuring that SEAs are conducted for ministerial decisions or cabinet submissions

	Response Percent	Response Count
Senior Policy Analysts	14.0%	6
Director General (provide title in 'Other' field)	11.6%	5
Assistant Deputy Minister	20.9%	9
No one	2.3%	1
It is not a consistent position	23.3%	10
Not sure	27.9%	12
Other/Comment (please specify)		27
	<i>answered question</i>	43
	<i>skipped question</i>	4

Nearly 30% of respondents were unsure who had accountability for ensuring that SEAs are conducted for ministerial decisions or cabinet submissions. Many responded that it is not a consistent position. Several noted that the responsible position was not provided on the survey. Agency President, Deputy Minister, departmental SEA specialists, and Sustainable Development division were provided as additional options.

### Quality of information of preliminary scans

	1	2	3	4	5	Not sure	Rating Average	Response Count
Quality of Information Scans completed by your department	2.3% (1)	9.3% (4)	23.3% (10)	34.9% (15)	9.3% (4)	20.9% (9)	4.02	43
							Comments:	17
							<i>answered question</i>	43
							<i>skipped question</i>	4

**Quality of information of SEAs**

	1	2	3	4	5	Not sure	Rating Average	Response Count
Quality of information of the SEAs completed by your department	2.3% (1)	4.7% (2)	27.9% (12)	23.3% (10)	4.7% (2)	37.2% (16)	4.35	43
	Comments:							18
	<i>answered question</i>							43
	<i>skipped question</i>							4

On average, the quality of preliminary scans and the quality of SEAs were rated as about 3.5 out of 5<sup>1</sup>. One respondent commented that that quality of information is low because timelines do not allow for significant analysis. Additionally, several respondents were 'not sure' due to limited experience or that quality varies across the department / agency.

**Influence of departmental SEAs on PPP development**

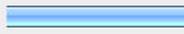
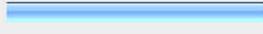
	1	2	3	4	5	Not sure	Rating Average	Response Count
You department's SEAs influence	20.9% (9)	20.9% (9)	16.3% (7)	4.7% (2)	7.0% (3)	30.2% (13)	3.47	43
	Comments:							16
	<i>answered question</i>							43
	<i>skipped question</i>							4

On average, the influence that departmental SEAs have on PPP development was rated as about 2 out of 5<sup>2</sup>. Many were unsure whether their department's SEAs have influence, and several noted that it is difficult to determine.

<sup>1</sup> Please note that the rating average presented in the graph is inaccurate – it takes into account the number of 'Not sure' responses and calculates them as a 6.

<sup>2</sup> Please note that the rating average presented in the graph is inaccurate – it takes into account the number of 'Not sure' responses and calculates them as a 6.

**Follow up to ensure SEA findings, conclusions, etc., are effective**

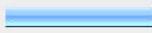
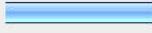
	Response Percent	Response Count
Yes 	16.3%	7
No 	34.9%	15
Not sure 	48.8%	21
Comments:		19
<i>answered question</i>		43
<i>skipped question</i>		4

Nearly half of respondents were unsure whether their department followed-up to ensure that SEA findings, etc., are effective. Many said that there is no follow up, and a few explained that lack of resources and time prevented follow up.

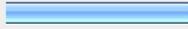
**Positive or negative unexpected outcomes associated with conducting SEAs**

Survey participants were asked whether they knew of any positive or negative unexpected outcomes associated with conducting SEAs. Some positive outcomes noted by participants included: better integration of sustainable development into corporate PPP policy development; greater awareness of environmental issues; improved intra- and interdepartmental collaboration; new research outcomes; and, better policy coherence. No negative outcomes were mentioned.

**Sufficient financial resources for the effective completion of SEAs**

	Response Percent	Response Count
Yes 	27.9%	12
No 	27.9%	12
Not sure 	44.2%	19
Comments:		14
<i>answered question</i>		43
<i>skipped question</i>		4

**Sufficient staffing resources for the effective completion of SEAs**

	Response Percent	Response Count
Yes 	32.6%	14
No 	34.9%	15
Not sure 	32.6%	14
If no, how many additional FTEs are required?		23
<i>answered question</i>		43
<i>skipped question</i>		4

Many respondents were unsure whether sufficient financial and staffing resources were available for the effective completion of SEAs. In general, individuals from departments that conduct few SEAs thought that there were sufficient finances and staff, whereas those individuals from departments that conduct many SEAs noted that more funding and staff would improve the effective completion of SEAs. A respondent from DFAIT noted that *one* person at DFAIT is responsible for reviewing SEAs, managing the program, and providing guidance on all preliminary scans, detailed SEAs and environmental assessments of trade negotiations for two departments and Passport Canada.

**Appropriateness of the level of effort to conduct SEAs**

	Unacceptable effort		Appropriate effort		Exceptional effort	Not sure	Rating Average	Response Count
Effort level	2.3% (1)	23.3% (10)	44.2% (19)	4.7% (2)	0.0% (0)	25.6% (11)	3.53	43
	Comments:							13
	<i>answered question</i>							43
	<i>skipped question</i>							4

On average, study participants believed that the level of effort to conduct SEAs was appropriate for addressing anticipated environmental effects (rated about 3 out of 5<sup>3</sup>). It was noted by one participant that effort is made, but it is often too late and that decisions on the proposal have already been taken.

<sup>3</sup> Please note that the rating average presented in the graph is inaccurate – it takes into account the number of 'Not sure' responses and calculates them as a level above 'exceptional'.

### **Modification of a PPP as a result of the findings and conclusions from a preliminary scan or SEA**

	Response Percent	Response Count
Yes	25.6%	11
No	32.6%	14
Not sure	41.9%	18
Comments:		9
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

Survey results indicate that many respondents were unsure whether findings and conclusions from a preliminary scan or SEA have modified a PPP. Only a quarter of respondents believed that findings and conclusions have led to modifications.

### **Top three barriers / challenges to conducting SEAs**

Survey participants were asked to list the top three barriers to conducting SEAs. The most common responses included: lack of SEA knowledge and support by senior management; short timelines; lack of expertise; lack of awareness about the benefits of SEA; and, lack of resources.

## **2.4 Implementation across Government**

### **Clarity of the Cabinet Directive and supporting guidelines**

	1	2	3	4	5	Not sure	Rating Average	Response Count
Clarity about what is required for an SEA	7.0% (3)	18.6% (8)	30.2% (13)	27.9% (12)	9.3% (4)	7.0% (3)	3.35	43
Other (please specify)								10
<b>answered question</b>								<b>43</b>
<b>skipped question</b>								<b>4</b>

On average, the clarity of the Cabinet Directive and supporting guidelines was rated about 3 out of 5. Survey participants were asked how clarity could be improved. Responses included: define / better described "important environmental effects" and "policy, plan, program"; change tone from one of impact assessment to the consideration / integration of environmental issues; improve clarity around cabinet confidence issues; legislate SEA; focus SEA on cumulative effects assessment; and, clarify the distinction between preliminary scan and detailed SEA.

### Services provided by the Agency for SEAs

	Response Percent	Response Count
Training	41.9%	18
Determining when SEAs are required	7.0%	3
Providing guidance on the SEA process	32.6%	14
Disseminating SEA results	2.3%	1
Not Sure	46.5%	20
Other/Comments (please specify)		18
<b>answered question</b>		<b>43</b>
<b>skipped question</b>		<b>4</b>

Nearly half of all respondents were unsure what services the Agency provides to departments for SEAs. Of those who did know, 42% noted that the Agency provides training. A few commented that the Agency does not provide any services.

### Agency's usefulness in supporting the SEA process across government

	1	2	3	4	5	Not sure	Rating Average	Response Count
Agency's usefulness in supporting the SEA process across government	9.3% (4)	18.6% (8)	16.3% (7)	4.7% (2)	4.7% (2)	46.5% (20)	4.16	43
How could that role be improved?								22
<b>answered question</b>								<b>43</b>
<b>skipped question</b>								<b>4</b>

On average, the Agency's usefulness in supporting the SEA process across government was rated about 2.5 out of 5<sup>4</sup>. Survey participants were asked how the agency's role could be improved. Recommendations included: provide more leadership; provide more education to senior management about the purpose and benefits of SEA; provide more specific expertise in strategic assessment; engage other departmental deputies through the CEAA deputy; and, provide greater pressure to complete or improve SEAs.

<sup>4</sup> Please note that the rating average presented in the graph is inaccurate – it takes into account the number of 'Not sure' responses and calculates them as a 6.

### **Duplication of other risk assessment / management accountability frameworks in the federal government**

	Response Percent	Response Count
Yes 	16.7%	7
No 	45.2%	19
Not sure 	38.1%	16
If yes, which ones? Comments?		17
<i>answered question</i>		42
<i>skipped question</i>		5

Many respondents believed that SEA does not duplicate other risk assessment / management accountability frameworks. Of those who did believe SEA duplicates other processes, the PCO Triage and program development process (at INFC and NRCan) were given as examples of similar processes.

### **The three most important things to improve the SEA process**

Survey participants were asked to provide the top three things that could be done to improve the SEA process. Common recommendations included: improved senior management buy-in and support; greater assistance with analysis; more detailed guidance on requirements and more direction from Central Agencies; strengthened legislation; and, earlier integration in PPP planning process.

### **Additional comments**

Participants provided some additional comments at the conclusion of the survey. Several noted that SEAs should only be conducted for proposals with anticipated negative outcomes. One commented that analysts consider SEA a waste of time for those proposals with no anticipated significant environmental effects, and another thought that SEA is seen as a process that needs to be "ticked off" on a to-do list when developing an MC. It was noted that the quality of SEAs would improve if analysts had the ability to see all of the departmental guidance materials from across government. One participant recommended that Canada should explore opportunities for regional approaches to SEA in order to properly deal with cumulative effects. Lastly, a respondent commented that there is a need for increased demand for quality SEAs from PCO.

## Annex 1 – Survey Respondents Title and Organization

<b>Title</b>	<b>Department/agency/organization/branch/directorate etc.</b>
Senior Program Analyst	Agriculture and Agri-Food Canada (AAFC)/Farm Financial Program Branch/ATPD
Senior Policy Analyst	AAFC
Departmental Environmental Assessment Coordinator	AAFC
Senior Environmental Analyst	AAFC
Manager	Canada Revenue Agency
Senior Environment Specialist	Canadian International Development Agency (CIDA)
Senior Environment Specialist	CIDA /AMERICAS
Manager, Environmental Integration Unit	CIDA, Sectors and Global Partnership Branch
Senior Environment Specialist	CIDA/Europe, Maghreb and Middle East Directorate
Specialiste principale en environnement	Agence canadienne de développement international- Asie
Policy Analyst	Citizenship and Immigration/Immigration Branch
Environmental Assessment Officer	Department of National Defence
Senior Economist	Department of Finance/EDCF/Resources, Energy and the Environment
Policy Analyst	DFO/Policy Sector/Strategic Priorities and Planning
Tax Policy Officer	Finance Canada/Tax Policy Branch/Business Income Tax Division/Resource and Environmental Taxation Section
Director, Environment and Energy Division	Foreign Affairs and International Trade (DFAIT)
Senior Environmental Policy Advisor	DFAIT
Senior Nuclear Non-Proliferation Advisor	DFAIT, Canada/Non-proliferation and Disarmament (Nuclear) Division
Deputy Director	DFAIT, Sustainable Development Division
Project Manager	Health Canada Pest Management Regulatory Agency
Policy Analyst	Health Canada, FNIHB, SPPAD
Senior Environmental Science Specialist	Health Canada/FNIHB/BPMD
Senior Policy Advisor	Indian and Northern Affairs (INAC)
Senior Policy Analyst	INAC
Senior Policy Analyst and Manager	Industry Canada, Strategic Policy Branch
Policy Officer	Industry Canada, National Access Program Directorate
Principal Analyst	Infrastructure Canada, Policy and Priorities
Sustainable Development Coordinator	Justice
Counsel	Justice
Environmental Assessment Officer (former SEA Coordinator), EA Coordination	Natural Resources Canada (NRCan), Science and Policy Integration

<b>Title</b>	<b>Department/agency/organization/branch/directorate etc.</b>
Manager, Corporate Resource Management	NRCan, Corporate Management Services Sector
Senior Policy Analyst	NRCan, Earth Sciences Sector
Senior Analyst, Cabinet Strategies	NRCan, Science and Policy Integration, Strategic Integration Services
Commerce Specialist	NRCan, Canadian Forest Service
Senior Strategic Policy and Planning Advisor	Parks Canada, Mountain Parks
Head, Environmental Assessment	Parks Canada
Environmental Science and Assessment Coordinator	Parks Canada Agency
Environmental Assessment Scientist	Parks Canada, Western and Northern Service Centre
Manager, Environmental Assessment & Sustainable Project Delivery	PWGSC
Environmental Management Analyst	PWGSC
Gestionnaire des affaires parlementaires et du Cabinet	Agence de la sante publique du Canada
Senior Environmental Assessment Advisor	Transport Canada
Manager, Environmental Protection	Transport Canada, Civil Aviation
Senior Policy Analyst	Western Economic Diversification, HQ Policy
Senior Program Advisor	Western Economic Diversification Canada

---

## **Annex 2 – Survey Questions**

---

### **Evaluation of the Cabinet Directive on the Environmental Assessment of Policy, Plans and Program Proposals Electronic Survey**

The Canadian Environmental Assessment Agency (the Agency) has commissioned Stratos Inc. to conduct an evaluation of the Cabinet Directive on the environmental assessment of policy, plan, and program proposals. As part of the evaluation, we are conducting a survey to collect factual information on Strategic Environmental Assessment (SEA) practices across the Government. This survey has been sent to a number of key people in each department/agency. We will follow up the survey with interviews with select survey participants and other experts.

The survey consists of 39 questions, organized under four categories:

- Participant Information;
- History of SEAs at the Departmental Level;
- Implementation of SEA in your Department; and,
- Implementation of SEA across the Government of Canada.

The survey should take approximately 35-45 minutes to complete and your responses will be treated as confidential and will not be attributed. You may need to collaborate with colleagues to answer some of these questions. We recognize that you may not have answers to all of the questions; however, the survey will not advance to the next question without a response. In these cases, please select "Not sure".

Please complete this survey by January 9, 2009. If you have any questions or concerns, please contact Michael Gullo, Assistant Project Manager, Stratos: 613-241-1001 ext.231, [mgullo@stratos-sts.com](mailto:mgullo@stratos-sts.com); or Ann Clarke, CEAA: 613-957-0538, [Ann.Clarke2@ceaa-acee.gc.ca](mailto:Ann.Clarke2@ceaa-acee.gc.ca).

## Questions

### **Participant Information**

1. Please provide us with your contact information (your answers to the survey will remain anonymous):
  - Name
  - Title
  - Department/agency/organization/branch/directorate etc.
  - Email
  - Phone number
  
2. What are your responsibilities related to SEAs? (Select all that apply)
  - Drafting preliminary scans
  - Drafting SEAs
  - Managing the completion of SEAs
  - Reviewing SEAs
  - Other: \_\_\_\_\_

### **History of SEAs at the Departmental Level**

3. In what year did your department/agency conduct its first SEA?
  - Before 1999
  - Between 1999 and 2004
  - After 2004
  - Not sure
  
4. How many SEA reports (excluding preliminary scans) have been completed by your department since 2004?
  - Less than 5
  - Between 6 and 10
  - Between 11 and 20
  - Greater than 21
  - Already provided to Evaluation Team
  - Not sure

Please list the SEAs that have been completed by your department:

\_\_\_\_\_

5. How many preliminary scans have been completed by your department since 2004?
  - Less than 5
  - Between 5 and 10
  - Between 10 and 20
  - Greater than 20
  - Already provided to Evaluation Team
  - Not sure

**Implementation of SEA in Departments and Agencies**

6. Does your department systematically scan the policy/program/plan proposals that are sent to Ministers or Cabinet for environmental implications?
- Always
  - Sometimes
  - Never
  - Not sure
  - Comment: \_\_\_\_\_
7. Please indicate when your department is required to complete a preliminary scan or SEA:
- Cabinet submissions only
  - Ministerial decisions only
  - Cabinet submissions and ministerial decisions
  - Not sure
  - Other: \_\_\_\_\_
8. Does your department engage the Privy Council Office, the Agency, and/or Treasury Board in the SEA process? (Select all that apply)
- Before drafting SEAs
  - While drafting SEAs
  - When submitting SEAs for approval
  - Never
  - Not sure
  - Comments: \_\_\_\_\_
9. When are preliminary scans or SEAs conducted?
- Early in the policy/program/plan development process
  - After the policy/plan/program has substantially been developed
  - Not sure
  - Other: \_\_\_\_\_
  - Comments: \_\_\_\_\_
10. When required, are SEAs consistently referenced in Treasury Board submissions or Memorandums to Cabinet?
- Yes
  - No
  - Not sure
  - Comments: \_\_\_\_\_

11. Who in your department is responsible for drafting preliminary scans and SEAs (check all that apply)?

- Policy Analysts / Senior Policy Analysts
- Departmental EA / SEA specialists
- Consultants
- Not sure
- Other (please specify): \_\_\_\_\_
- Comments: \_\_\_\_\_

12. Has your department/agency developed its own internal process for conducting SEAs?

- Yes
- No
- Not sure

- a) If yes, please identify: \_\_\_\_\_
- Please provide a copy of process / guidance material to (Ann Clarke at [Ann.Clarke@ceaa-acee.gc.ca](mailto:Ann.Clarke@ceaa-acee.gc.ca))

Comments: \_\_\_\_\_

13. What SEA tools are available in your department (check all that apply)?

- Training
- Checklists
- Matrices
- Technical guidance documents
- Templates
- Case studies
- None
- Other, please specify: \_\_\_\_\_
- Not sure

a) On a scale of 1 to 5 (5 indicating the highest level of usefulness), how useful are these tools in assisting analysts with SEAs?

- Training: Scale of 1-5
- Checklists: Scale 1-5
- Matrices: Scale 1-5
- Technical guidance documents: Scale 1-5
- Case studies: Scale 1-5
- Other: Scale 1-5
- Not sure
- Comments: \_\_\_\_\_

14. Does your department consider alternatives during the SEA process?

- Always
- Sometimes
- Never
- Not sure
- Comments: \_\_\_\_\_

15. The Cabinet Directive asks that departments and agencies consider the potential cumulative environmental effects of their proposals. Do SEAs completed in your department address cumulative environmental effects?

- Always
- Sometimes
- Never
- Not sure
- Comments: \_\_\_\_\_

16. On a scale of 1 to 5 (5 indicating the highest level of integration), how well are stakeholder concerns being integrated into departmental SEA analysis?

Scale 1-5

Not sure

Comment: \_\_\_\_\_

a) How could integration be improved?

- Increased funding for consultation processes
- Improved guidance on engaging stakeholders
- Start SEA processes earlier
- Greater understanding of the benefits of SEA
- Other (please specify): \_\_\_\_\_
- Not sure

17. What are the top three limitations to addressing stakeholder interests in SEAs?

- 
- 
- 
- Not sure

18. Who in your department is responsible for reviewing preliminary scans?

- Senior Policy Analysts
- Managers
- Directors
- No one
- It is not a consistent position
- Not sure
- Other (please specify): \_\_\_\_\_
- Comment: \_\_\_\_\_

19. Who in your department is responsible for reviewing SEAs?

- Senior Policy Analysts
- Managers
- Directors
- No one
- It is not a consistent position
- Not sure
- Other (please specify): \_\_\_\_\_
- Comment: \_\_\_\_\_

20. Do quality control measures for completing SEAs exist within your department?

- Yes
- No
- Not sure

If yes, please describe: \_\_\_\_\_

Comment: \_\_\_\_\_

21. How are SEA results communicated to central agencies? (Check all that apply)

- Reports to Departmental Management Committee
- References in Departmental Performance Reports
- Submit SEA reports to Privy Council Office Analysts
- Submit SEA reports to Treasury Board Analysts
- Not sure

Other: \_\_\_\_\_

22. After SEAs are completed and approved by your Minister and/or Cabinet, does your department issue a Public Statement of Environmental Effects?

- Always
- Sometimes
- Never
- Not sure
- Comments: \_\_\_\_\_

23. When made available, how are SEAs provided to the public?

- Departmental website
- Available upon request
- Other: \_\_\_\_\_
- Not sure
- Comments: \_\_\_\_\_

24. Who in your department is accountable for ensuring that SEAs are conducted for ministerial decisions or cabinet submissions?

- Senior Policy Analysts
- Director General (*provide title*)
- Assistant Deputy Minister
- Other (please specify): \_\_\_\_\_
- No one
- It is not a consistent position
- Not sure

25. On a scale of 1 to 5 (5 indicating the highest level of quality), how would you rate the quality of information (e.g., comprehensiveness, usefulness) of the preliminary scans completed by your department?

Scale of 1 to 5

Not sure

- Comments: \_\_\_\_\_

26. On a scale of 1 to 5 (5 indicating the highest level of quality), how would you rate the quality of information (e.g., comprehensiveness, usefulness) of the SEAs completed by your department?

Scale of 1 to 5

Not sure

- Comments: \_\_\_\_\_

27. On a scale of 1 to 5 (5 indicating highest level of influence), how much influence do your department's SEAs have on policy/plan/program development?

Scale 1-5

Not sure

- Comments: \_\_\_\_\_

28. Does your department follow up to ensure that SEA findings, conclusions, recommendations, mitigation, etc., are effective?

- Yes
- No
- Not sure
- Comments: \_\_\_\_\_

29. Do you know of any positive or negative unexpected outcomes associated with conducting SEAs (e.g., improved collaboration with other departments)?

- Yes
- No
- Not sure

Please describe any positive or negative outcomes you are familiar with:

\_\_\_\_\_

30. In your opinion, are sufficient financial resources available for the effective completion of SEAs within your department/agency?

- Yes
- No
- Not sure
- Comments: \_\_\_\_\_

31. In your opinion, are sufficient staff resources available for the effective completion of SEAs within your department/agency?

- Yes
- No
- Not sure

If no, how many additional FTEs are required? \_\_\_\_\_

32. To what extent is the level of effort that your department puts into conducting SEAs appropriate for addressing anticipated environmental effects?

- Sliding scale 1 – 5 (5 represents exceptional level of effort, 3 represents an appropriate level of effort, 1 represents an unacceptable level of effort)
- Not sure
- Comments: \_\_\_\_\_

33. To your knowledge, has a policy, plan or program ever been modified as a result of the findings and conclusions from a preliminary scan or SEA?

- Yes
- No
- Not sure
- Comments: \_\_\_\_\_

If yes, can you please provide a brief example?

34. What are the top 3 barriers / challenges to conducting SEAs in your department?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- Not sure

### **Implementation across Government**

35. On a scale of 1 to 5 (5 indicating the highest level of clarity), how clear are the Cabinet Directive and supporting guidelines about what is required for an SEA (e.g., key expectations, key expectations, etc.)?

- Scale of 1-5
- Not sure
- How could they be improved? \_\_\_\_\_

36. What services does the Agency provide to your department for SEAs?

- Training
- Determining when SEAs are required
- Providing guidance on the SEA process
- Disseminating SEA results
- Other (please specify): \_\_\_\_\_
- Not sure

Comment: \_\_\_\_\_

37. On a scale of 1 to 5 (5 indicating the highest level of usefulness), how useful a role does the Agency play in supporting the SEA process across government?

- Scale of 1-5
- Not sure
- How could that role be improved? \_\_\_\_\_

38. Does the Cabinet Directive duplicate other risk assessment/management accountability frameworks in the federal government or in your department?

- Yes
- No
- Not sure

If yes, which ones? \_\_\_\_\_

Comments: \_\_\_\_\_

39. What are the three most important things that could be done to improve the SEA process?

- 
- 
- 
- Not sure

Please provide any additional comments or perspectives you would like to convey to the evaluation team.

---

---

---

Thank you for taking the time to complete this survey.

## **APPENDIX D**

### **Reference List of SEA Materials and Documentation**

---

## SEA Document Inventory

---

### General

Benevides, H., Kirchhoff, D., Gibson, R. and M. Doelle. 2008. Law and Policy Options for Strategic Environmental Assessment in Canada. Submitted to the Canadian Environmental Assessment Agency in partial satisfaction of a Contribution Agreement dated July 2008 between the Canadian Environmental Assessment Agency and the University of Waterloo.

Dalal-Clayton, B. and B. Sadler. No date. SEA: A Rapidly Evolving Approach. 21 p.

International Association of Impact Assessment (IAIA). 2000. Strategic Environmental Assessment: Performance Criteria. Special Publication Series No 1. 1 p.

Noble, B. and J. Bronson. 2007. Models of Strategic Environmental Assessment in Canada. Report prepared for the Minister of Environment's Regional Advisory Committee, Subcommittee on Strategic Environmental Assessment, under Environment Canada contract agreement K4320-06-0052. 89 p.

Noble, B. and J. Harriman. 2008. Strengthening the Foundation for Regional Strategic Environmental Assessment in Canada. Prepared for the Canadian Council of Ministers of Environment Environmental Assessment Task Group under contract no. K4320-07-0072. 59 p.

Noble, B. and J. Jarriman. 2008. Regional Strategic Environmental Assessment in Canada Principles and Guidance. Summary report prepared for the Canadian Council of Ministers of Environment. 26 p.

OECD. 2006. Applying Strategic Environmental Assessment to Development Co-operation. 8 p.

Partidário, M. R. 2007. Strategic Environmental Assessment Good Practices Guide - Methodological Guidance. Portuguese Environment Agency, Amadora. 61 p.

Partidário, M. R. and Fischer, T. No date. Follow-up in current SEA understanding, in Morrison-Saunders, A. and J. Arts (eds), *Assessing Impact: Handbook of EIA and SEA Follow-up*, Earthscan James&James, London, chapter 10. 32 p. DRAFT

Regulatory Advisory SEA Subcommittee. No date. Interim Report. 11 p.

RSPB. No date. Strategic Environmental Assessment – learning from practice. 16 p.

Scottish Environmental Protection Agency. 2008. Environmental Assessment (Scotland) Act 2005; Strategic Environmental Assessment Statement. 18 p.

Sommer, A. 2005. Strategic environmental assessment: From scoping to monitoring. Content requirements and proposals for practical work. 128 p.

Theophilou, V. 2007. Effectiveness of Strategic Environmental Assessment: The application of Directive 2001/42/EC to the 2007-2013 EU Structural Funds programmes. Thesis presented in part-fulfilment of the degree of Master of Science in accordance with the regulations of the University of East Anglia. 75 p.

Verheem, R.A.A and Tonk, J.A. 2000. Enhancing Effectiveness - Strategic environmental assessment: one concept, multiple forms. *Impact Assessment and Project Appraisal*, 18(3): 177-182.

Wilburn, P.G. 1991. Strategic Environmental Assessment, Sustainable Development and Good Governance. A thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts in Environment and Management, Royal Roads University. 71 p.

### **CEAA**

CEAA. 2009. Renewal of the Canadian Environmental Assessment Act. Presentation to Agency Staff, January 20-21, 2009. Ppt presentation (20 slides).

CEAA. 2008. Appendix A: Cabinet Directive Evaluation Logic Framework. Prepared by CEAA and Evaluation Advisory Group. 10 p.

CEAA. 2008. Departments for Evaluation of Cabinet Directive. 1 p.

CEAA. 2008. Memoranda to Cabinet Log. 2003 - 2008.

CEAA. 2006. Summary Record - SEA Subcommittee Meeting, February 8, 2006. 5 p.

CEAA. 2006. Intervention 1. Email from Tim Smith (CEAA) to C. Paton (NRCAN) and K. Henderson (TC). December 6, 2006.

CEAA. 2006. Intervention 1b. Emails regarding review of Transport Canada SEA by CEAA. 5 p.

CEAA. 2006. Intervention 2. Email from Clare Cattryssee (CEAA) to Sean Foy (PCH). November 16, 2006.

CEAA. 2006. Intervention 3. Emails between Candace Anderson (CEAA) and Fiona Salkie (WEDC) regarding review of SEA. October, 2006.

CEAA. 2006. Intervention 4. Emails between Tim Smith (CEAA) and Carol Essenburg (AAFC) regarding an MC. October, 2006.

CEAA. 2006. Intervention 6. Email from Candace Anderson (CEAA) to Kate Cavallaro (NRCan) regarding an NRCan MC. July 18, 2006.

CEAA. 2006. Intervention 7. Email from Candace Anderson (CEAA) to Kate Cavallaro (NRCan) regarding an NRCan MC. November 20, 2006.

CEAA. 2004. Intervention 5. Emails between Tim Smith (CEAA) and Linda Quan (WEDC) regarding an MC. September, 2004.

CEAA. No date. SMCEA SEA Subcommittee Mailing List.

CEAA. No date. Memoranda to Cabinet Transmittal Form Template (Tracking Slip). 1 p.

CEAA. No date. Cabinet Business and Policy Analysis at the Canadian Environmental Assessment Agency. 8 p.

CEAA. No date. Memoranda to Cabinet Analysis and Strategic Environmental Assessment. Ppt presentation.

CEAA. No date. SEA Dilemma. Ppt presentation.

Clarke, A. 2008. 2008 Evaluation of the Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals – Briefing Note for Departments.

### ***Agriculture and Agri-Food Canada (AAFC)***

AAFC. 2008. Departmental staff names for interviews and survey. October 7, 2008.

### ***Canadian International Development Agency (CIDA)***

CIDA. 2008. Internal Audit Follow-up Report – Office of the Chief Audit Executive. September 2008. 8 p.

CIDA. 2008. Business Case for Strategic Environmental Assessment Tracking System Update. July 2008. 4 p.

CIDA. 2008. CIDA Environment Specialists' Retreat – Strategic Environmental Assessment Retreat Report. 12 p.

CIDA. 2008. Strategic Environmental Assessment of Policy, Plan and Program Proposals: CIDA Handbook 2<sup>nd</sup> Edition 2008. 28 p.

CIDA. 2008. New online Learning Tools at CIDA. 11 p.

CIDA 2007. Audit of the Implementation of the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals at CIDA – Internal Audit Report July 2007. 42 p.

CIDA. 2007. Strategic Environmental Assessment <http://www.acdi-cida.gc.ca/cidaweb/acdicida.nsf/En/JUD-4713514-N2T>

CIDA. 2007. Environmental Assessment. <http://www.acdi-cida.gc.ca/cidaweb/acdicida.nsf/En/JUD-2110477-LHZ>

CIDA. 2006. Strategic Environmental Assessment (SEA) at CIDA. Presentation to Policy Branch BMG. December 2006. 14 p.

CIDA. 2005. SEA Applicability forms. 2 p.

CIDA. 2004. Strategic Environmental Assessment of Policy, Plan and Program Proposals: CIDA Handbook. 2004. 19 p.

CIDA. No date. CIDA SEA Quality Criteria. 3 p.

CIDA. No date. New on-line learning tools at CIDA. 2 p.

CIDA. No date. Executive Summary – CIDA Strategic Environmental Assessment (SEA). 2 P.

CIDA. No date. Pamphlet on Strategic Environmental Assessment (SEA) at CIDA.

CIDA. No date. Climate Change Integration tool for CIDA's Policies, Plan and Programs: "Integrating climate change within strategic Environmental Assessment"

CIDA. No date. CIDA SEA Accountability Table. 6 p.

### ***Canadian Revenue Agency (CRA)***

CRA. 2008. Canada Revenue Agency Submission for the 2008 Evaluation of the Cabinet Directive on Policy, Plan and Program Proposals. 17 p.

### ***Citizenship and Immigration Canada (CIC)***

CIC. 2004. Strategic Environmental Assessment Guide. Produced by the Strategic Policy and Partnerships Branch in consultation with the Department of Citizenship and Immigration's Coordinating Committee on Sustainable Development. 69 p.

CIC. No date. Strategic Environmental Assessment Policy Statement. DRAFT. 10 p.

### ***Department of Finance***

Department of Finance. 2008. Public Statements regarding Environmental Effects. URL: [http://www.fin.gc.ca/activty/pubs/sea\\_1e.html](http://www.fin.gc.ca/activty/pubs/sea_1e.html). Accessed Oct 29, 2008. 4 p.

Department of Finance. 2008. SEA Administrative/Filing Procedures – Tax Policy Branch (DRAFT). 2 p.

Department of Finance. 2007. Extract from Budget Briefing Instructions – December 2007. 1 p. (with track changes)

Department of Finance. 2007. Key Points on Strategic Environmental Assessment. Tax Policy Branch. 4 p.

Department of Finance. 2007. SEA: Process for the Department of Finance. Economic Development and Corporate Finance Branch. Ppt presentation.

Department of Finance. No date. Information on Completing the Strategic Environmental Assessment. 4 p.

Department of Finance. No date. SEA for Policies Initiated by the Department of Finance – Questionnaire. 5 p.

Department of Finance. No date. Talking points on SEA review for discussion at DCC. 2 p.

Department of Finance. No date. EDCF Responses to Consultations with all Department of Finance Branches on improving the Strategic Environmental Assessment (SEA) process at Finance Canada. 4 p.

Gray, R. 2006. Strategic Environmental Assessments - presentation. Tax Policy Branch Meeting, January 17, 2006.

### ***Department of Fisheries and Oceans (DFO)***

DFO. 2008. Strategic Environmental Assessments. URL: <http://www.dfo-mpo.gc.ca/communic/sea/index-eng.htm>. Accessed: Dec 12, 2009.

DFO. 2008. List of Strategic Environmental Assessments. 2 p.

DFO. 2008. DFO Cabinet Business Information Session: SEA. Ppt presentation. (English and French versions)

DFO. 2007. SEA at DFO. MPA Workshop: March 21, 2007. Ppt presentation.

DFO. 2006. SEA Handbook and Forms. 37 p. (English and French versions)

**Department of Foreign Affairs and International Trade**

DFAIT. 2008. Canada's Environmental Assessment of Trade Negotiations - Ongoing Environmental Assessments (website). URL: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/env/env-ongoing.aspx?lang=en>

DFAIT. 2008. Handbook for Conducting Environment Assessments of Trade Negotiations. 111 p. URL: <http://www.international.gc.ca/enviro/assets/pdfs/EnvironA/overview/handbook-e.pdf>

DFAIT. 2008. Environmental Assessment of Trade Negotiations. Status of EAs.

DFAIT. 2008. Information requested for Cabinet Directive Evaluation - Foreign Affairs and International Trade Canada. October 3, 2008.

DFAIT. 2008. Strategic Environmental Assessment. URL: [http://www.international.gc.ca/enviro/assessment-evaluation/assessment\\_strategic-evaluation\\_strategique.aspx?lang=eng](http://www.international.gc.ca/enviro/assessment-evaluation/assessment_strategic-evaluation_strategique.aspx?lang=eng)

DFAIT. 2008. Strategic Environmental Assessment Preliminary Scan Template for Policy, Plan, and Program Proposals. URL: [http://www.international.gc.ca/enviro/assessment-evaluation/sea\\_temp-modele\\_ees.aspx?lang=eng](http://www.international.gc.ca/enviro/assessment-evaluation/sea_temp-modele_ees.aspx?lang=eng)

DFAIT. 2008. Contact list of departmental staff to be interviewed or surveyed for the Cabinet Directive Evaluation.

DFAIT. 2007. Canada's Environmental Assessment Framework for Trade Negotiations – Backgrounder. URL: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/ds/backgrounder.aspx?lang=en>

DFAIT. 2007. Ongoing Environmental Assessments: Environmental Assessment of Trade – Frequently Asked Questions. URL: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/env/facts.aspx?lang=en>

DFAIT. 2006. Handbook for Conducting Strategic Environmental Assessments of Policy, Plan, and Program Proposals. 43 p.

DFAIT. 2006. Strategic Environmental Assessment of the Third Session of the World Urban Forum, June 19-23, 2006. Sustainable Development Division, Foreign Affairs and International Trade Canada. URL: [http://www.international.gc.ca/enviro/assessment-evaluation/assessment\\_strategic\\_environmental-evaluation\\_strategique\\_enviennementale.aspx?lang=en](http://www.international.gc.ca/enviro/assessment-evaluation/assessment_strategic_environmental-evaluation_strategique_enviennementale.aspx?lang=en)

DFAIT. 2002. Strategic Environmental Assessment of the June 2002 G8 Summit in Kananaskis, Alberta. 42 p. URL: <http://www.g8.gc.ca/2002Kananaskis/docs/sea-en.pdf>

DFAIT. 2001. Framework for Conducting Environmental Assessments of Trade Negotiations. 22 p. URL: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/assets/pdfs/FinalFramework-e.pdf>

DFAIT. No date. Strategic Environmental Assessment: Detailed Analysis Process. Ppt Presentation.

DFAIT. No date. Overall Environmental Assessment Process. 2 p.

### **Department of National Defence**

DND. 2009. DAOD 4003-0, Environmental Protection and Stewardship. 4 p. URL: [http://admfincs.mil.ca/admfincs/subjects/daod/4003/0\\_e.asp](http://admfincs.mil.ca/admfincs/subjects/daod/4003/0_e.asp). Accessed: Jan 26, 2009.

DND. 2008. Strategic Environmental Assessment Handbook. Prepared by: ADM(IE)/DGE/D Env S3.

DND/CF. 2008. DND/CF Corporate Submission Process for Submissions Approved by the Treasury Board, Governor General in Council, Minister and Chief of the Defence Staff. URL: [http://admfincs.mil.ca/dscs/tbihsp\\_e.asp](http://admfincs.mil.ca/dscs/tbihsp_e.asp).

DND. 2008. Strategic Environmental Assessment Handbook. ADM(IE)/DGE/D. Env S3, March 2008. 41 p.

DND. 2004. Environmental Assessment. URL: [http://admfincs.mil.ca/admfincs/subjects/daod/4003/2\\_e.asp](http://admfincs.mil.ca/admfincs/subjects/daod/4003/2_e.asp)

DND. 2004. DAOD 4003-2 Environmental Assessment Finance and Corporate Services. 12 p.

### **The Economic Development Agency of Canada for the Regions of Quebec (CEDQ)**

Marbek Resource Consultants. 2007. SEA of the Community Diversification Program and the Business and Regional Growth Program. 37 p + Appendices. (English and French versions)

### **Environment Canada**

Environment Canada. No date. Strategic Environmental Assessment (SEA) Decision-Making Criteria for all Boards, Policy and Program Brief. 1 p. (English and French versions)

Environment Canada. No date. Strategic Environmental Assessment Rationale Template. 2 p.

**Indian and Northern Affairs Canada (INAC)**

INAC. 2008. Frequently Asked Questions: Strategic Environmental Assessment of the Department of Indian and Northern Affairs. DG Working Group on Strategic Environmental Assessment Policy and Strategic Direction. Cidm # 1241663 v.1. 4 p. (English and French versions).

INAC. 2008. Guidelines for Implementing the Cabinet Directive in INAC. Indian and Northern Affairs Canada's Response to the Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals. DG Strategic Environmental Assessment Working Group, Policy and Strategic Direction. 57 p. (English and French versions)

INAC. 2008. Membership for DG-SEA Working Group and SEA Experts Committee – DRAFT. 1 p.

**Industry Canada (IC)**

Industry Canada. 2007. Strategic Environmental Assessment website. URL: <http://strategis.ic.gc.ca/epic/site/sea-ees.nsf/en/Home> (this website is the home page for SEA; it includes links to further guidance and a questionnaire e.g. what is an SEA? Why are SEAs needed? Etc.)

Industry Canada. 2007. Industry Canada Guidance Document for Conducting SEAs and Questionnaire. 11 p. (word, pdf and web formats available)

**Infrastructure Canada**

Infrastructure Canada. 2008. Draft Response to Questions for the Evaluation of the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals. 1 p.

**Justice Canada (DOJ)**

Justice Canada. 2008. Guide to Completing an SEA (webpage).

Justice Canada. 2007. Compliance with the Cabinet Directive on Strategic Environmental Assessments: Roles and Responsibilities of Key Players (webpage).

Justice Canada. No date. SEA Questionnaire. 7 p.

Justice Canada. No date. A SEA of Difference: Understanding Strategic Environmental Assessments (webpage).

Justice Canada. No date. Memorandum to Cabinet template (webpage).

**Natural Resources Canada**

NRCan. 2008. Strategic Environmental Assessment. Intranet site. Accessed November 11, 2008.

NRCan. 2008. Environmental Assessment Manual: Part 3 – SEA. DRAFT. 16 p.

NRCan. 2004. Environmental Assessment Manual: Part 3 – SEA. 15 p.

NRCan. 2000. Departmental Environmental Policy. 37 p.

NRCan. No date. SEA at NRCan. Training course. Ppt presentation.

NRCan. No date. NRCan SEA – Level 1. Preliminary Determination of the Applicability of the Cabinet Directive (Pre-SEA). Template.

NRCan. No date. NRCan SEA – Level 2. SEA Scan Template.

NRCan. No date. NRCan SEA – Level 3. Detailed SEA Template.

### **Parks Canada**

Gartner Lee Ltd. 2005. A Review of Parks Canada's Strategic Environmental Assessment Program. Prepared for Parks Canada. 32 p + appendices.

Parks Canada. 2008. Terra Nova National Park of Canada Management Plan. 81 p.

Parks Canada. 2008. Environmental Impact Assessment: Strategic Environmental Assessment (introduction). URL: [http://www.pc.gc.ca/nature/eie-eia/itm3-/index\\_e.asp](http://www.pc.gc.ca/nature/eie-eia/itm3-/index_e.asp)

Parks Canada. 2008. Environmental Impact Assessment: List of Public Statements. URL: [http://www.pc.gc.ca/nature/eie-eia/itm4-/index\\_e.asp](http://www.pc.gc.ca/nature/eie-eia/itm4-/index_e.asp)

Parks Canada. 2008. SEAs and Preliminary scans – PCA tracking base.

Parks Canada. 2008. Guide to Management Planning 2008. 8 p.

Parks Canada. 2003. Strategic Environmental Assessment for Land Transfer from Pacific Rim National Park Reserve of Canada for Expansion of Esowista No. 3 Indian Reserve as proposed in a Memorandum of Understanding Between the Parks Canada Agency, Indian and Northern Affairs Canada, and the Tla-o-qui-aht First Nation. 37 p.

Parks Canada. No date. Strategic Environmental Assessment Guidance for Species at Risk – Recovery Documents. 14 p.

### **Public Health Agency of Canada (PHAC)**

PHAC. 2008. Preliminary Information to Scope SEA Evaluation. 2 p.

PHAC. 2008. Strategic Environmental Assessment Workshop Report. Workshop was held April 22, 2008. 7p

PHAC. 2007. Public Health Agency of Canada: Guideline to Strategic Environmental Assessment. 12 p. (English and French versions)

***Public Works and Government Services Canada (PWGSC)***

PWGSC. 2008. Policy on Strategic Environmental Assessment (DRAFT). 8 p.

PWGSC. 2008. Annex A: Guidance on Implementing Departmental Policy on Strategic Environmental Assessment (DRAFT). RPS\_NCA-#335552-v7. 12 p.

***Transport Canada***

Transport Canada. 2008. Preliminary Scan Review Response – August 2008. 3 p.

Transport Canada. 2008. Suggested text for reference to SEA after AHEB review – Detailed analysis. August 2008. 2 p.

Transport Canada. 2004. Strategic Environmental Assessment Manual. Revised. ~66 p.

Transport Canada. 2001. Strategic Environmental Assessment at Transport Canada – Policy Statement. 17 p.

***Treasury Board of Canada***

Treasury Board of Canada Secretariat. 2007. A Guide to Preparing Treasury Board Submissions. 180 p.

***Western Economic Diversification Canada (WD)***

WD. 2006. Strategic Environmental Assessment: A Guide on the Environmental Assessments of Policy, Plan and Program Proposals at Western Economic Diversification Canada. 15 p.

WD. 2005. Strategic Environmental Assessment: A Management System for Western Economic Diversification Canada. 3 p.

WD. 2005. Strategic Environmental Assessment – Template. 8 p.

**APPENDIX E**  
**Case Studies**



## TABLE OF CONTENTS

<b>1 INTRODUCTION AND OVERVIEW OF THE APPROACH TO COMPLETING THE CASE STUDIES.....</b>	<b>1</b>
1.1 CASE STUDY SELECTION .....	1
1.2 METHODOLOGY .....	1
<b>2 SEA COMPLETED FOR THE INITIATIVE TO MAP AND CHART CANADA’S NORTH.....</b>	<b>2</b>
2.1 OVERVIEW OF ISSUE.....	2
2.2 PROCESS .....	3
2.2.1 <i>NRCAN’s Approach to Strategic Environmental Assessment.....</i>	<i>3</i>
2.3 NRCAN’S APPROACH TO THE STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE INITIATIVE TO MAP AND CHART CANADA’S NORTH.....	3
2.3.1 <i>Objectives.....</i>	<i>3</i>
2.3.2 <i>Strategic Environmental Assessment Methodology and Scope.....</i>	<i>3</i>
2.3.3 <i>Public Consultation.....</i>	<i>5</i>
2.4 OUTCOMES .....	5
2.5 CONCLUSIONS .....	5
2.6 REFERENCES .....	6
<b>3 SEA COMPLETED FOR THE MARMOT BASIN SITE GUIDELINES.....</b>	<b>7</b>
3.1 OVERVIEW.....	7
3.2 PROCESS .....	8
3.2.1 <i>Parks Canada’s Approach to Strategic Environmental Assessment.....</i>	<i>8</i>
3.3 PARKS CANADA’S APPROACH TO THE MARMOT BASIN SITE GUIDELINES STRATEGIC ENVIRONMENTAL ASSESSMENT .....	9
3.3.1 <i>Environmental Issues .....</i>	<i>9</i>
3.3.2 <i>Objectives.....</i>	<i>9</i>
3.3.3 <i>Strategic Environmental Assessment Methodology and Scope.....</i>	<i>10</i>
3.3.4 <i>Public Consultation.....</i>	<i>11</i>
3.4 OUTCOMES .....	11
3.5 CONCLUSIONS .....	13
3.5.1 <i>Outcomes-based Approach.....</i>	<i>13</i>
3.5.2 <i>Early Introduction .....</i>	<i>13</i>
3.5.3 <i>Integrated into Planning .....</i>	<i>13</i>
3.5.4 <i>Comprehensive and Integrated Consultation .....</i>	<i>14</i>
3.5.5 <i>Identification of Gaps in Knowledge - Dealing with Uncertainty.....</i>	<i>14</i>
3.6 REFERENCES .....	14
<b>4 SEA COMPLETED FOR THE UKRAINE COUNTRY DEVELOPMENT POLICY FRAMEWORK15</b>	
4.1 OVERVIEW.....	15
4.1.1 <i>Bilateral Assistance to the Ukraine .....</i>	<i>15</i>
4.2 PROCESS .....	16

4.2.1	<i>The Canadian International Development Agency's Approach to Strategic Environmental Assessment</i> .....	16
4.2.2	<i>The Strategic Environmental Assessment for the Ukraine Country Development Policy Framework</i> .....	18
4.3	OUTCOMES .....	23
4.4	CONCLUSIONS .....	24
4.5	REFERENCES .....	25
<b>5</b>	<b>SEA COMPLETED FOR THE EXTENSION OF ACCELERATED CAPITAL COST ALLOWANCE TO GROUND SOURCE HEAT PUMP SYSTEMS</b> .....	<b>26</b>
5.1	OVERVIEW.....	26
5.1.1	<i>Accelerated capital cost allowance</i> .....	26
5.1.2	<i>Ground source heat pump systems</i> .....	27
5.2	PROCESS .....	27
5.2.1	<i>The SEA process at Finance Canada</i> .....	27
5.2.2	<i>The SEA for the extension of accelerated CCA to GSHP systems</i> .....	28
5.2.3	<i>Identifying positive environmental impacts</i> .....	28
5.2.4	<i>Identifying and mitigating negative environmental impacts</i> .....	28
5.3	OUTCOMES .....	29
5.3.1	<i>Processes for monitoring outcomes and impacts</i> .....	29
5.3.2	<i>Reporting</i> .....	30
5.4	CONCLUSIONS .....	30
5.4.1	<i>SEA best practices</i> .....	30
5.4.2	<i>SEA deficiencies</i> .....	31
5.5	REFERENCES .....	31

## **1 Introduction and Overview of the Approach to Completing the Case Studies**

---

The purpose of the Case Studies was to support the evidence base required to address the evaluation's objectives and document best practices in SEA to demonstrate:

- That SEA can have a positive impact in changing policies, programs or plans; and
- How selected departments are achieving improved environmental outcomes through the implementation of the Cabinet Directive.

This document includes an overview of the case study selection and methodology as well as the four case study reports.

### **1.1 Case Study Selection**

In consultation with the Project Authority and Evaluation Advisory Group, a list of criteria was developed to determine the topics for four case studies:

- The case studies are contributed by different departments;
- The case studies cover different policy issues;
- At least one case study illustrates the advantages of early integration;
- At least one case study illustrates the quality of the process used to conduct the SEA;
- The case studies illustrate changes in policies, programs or plans that can be documented and interviewees are available; and
- The case studies represent a mix of Cabinet and ministerial decisions.

A long list of potential case study topics was compiled and submitted to the Project Authority for review and comment<sup>1</sup>. In consultation with the Project Authority and the Evaluation Advisory Group, the project team agreed to write four case studies on the following topics:

- 1) Parks Canada's SEA for the Marmot Basin Site Guidelines;
- 2) The SEA led by Natural Resources Canada for the Initiative to Map and Chart Canada's North;
- 3) The Canadian International Development Agency's SEA for the Ukraine Country Development Policy Framework; and
- 4) Finance Canada's Strategic Environmental Assessment of the accelerated Capital Cost Allowance for ground source heat pump systems in the 2008 Federal Budget.

### **1.2 Methodology**

Information gathering was undertaken through:

- A document search and analysis of the SEA and other pertinent materials provided by the participating departments;

---

<sup>1</sup> Potential topics were identified by the Project Team and collated over the course of the evaluation. Each line of inquiry provided an opportunity for reviewing and discussing SEA-related material, SEA reports, etc.

- Interviews with SEA authors, policy analysts, departmental SEA or EA specialists; and
- Where possible, interviews with external stakeholders to highlight and verify the outcome of the SEA.

Upon completion of the information gathering and analysis phase, four draft case study reports were prepared. These reports were circulated to the individuals responsible for the completion of each SEA report for review and comment.

## **2 SEA Completed for the Initiative to Map and Chart Canada's North**

---

### **2.1 Overview of Issue**

In its 2007 Speech from the Throne, the Government committed to "bring forward an integrated Northern Strategy focused on strengthening Canada's sovereignty, protecting our environmental heritage, promoting economic and social development, and improving and devolving governance, so that northerners have greater control over their destinies." One of three signature deliverables contributing to the objectives of the Northern Strategy includes mapping and charting Canada's North.

In order to give effect to the Speech from the Throne, Natural Resources Canada (NRCan), Department of Foreign Affairs and International Trade (DFAIT), Fisheries and Oceans Canada (DFO), and Indian and Northern Affairs Canada (INAC) developed a proposal for mapping and charting Canada's North. As lead department for the proposal, NRCan was required to conduct a strategic environmental assessment (SEA) under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The proposal and the SEA were prepared and completed over a six week period in mid to late autumn, 2007. Two related program funding proposals were submitted the following spring.

The 2008 Federal budget announced a \$20 million investment over 2008-2010 to carry out the comprehensive mapping of Canada's seabed in both the Arctic and the Atlantic Oceans, in addition to fund legal work to support Canada's submission to the United Nations Commission on the Limits of the Continental Shelf, which facilitates implementation of the United Nations Convention on the Law of the SEA (UNCLOS) (PMO, 2008). Later that year, the Government announced the commitment to invest \$40 million over 4 years in the UNCLOS program (NRCan, 2009a). This mapping work, required to determine the outer limits of Canada's continental shelf, is a continuation of Canada's UNCLOS program that was originally announced in the 2004 Federal budget. The delivery of the UNCLOS program is the joint responsibility of the DFAIT, NRCan - Geological Survey of Canada, and DFO - Canadian Hydrographic Service (DFAIT, 2008).

The 2008 Federal budget also announced a \$34 million investment over two years in its Geo-mapping for Energy and Minerals (GEM) program. It was later announced, in August 2008, that the Government would invest \$100 million over five years (2008-2013) in the GEM program to provide the geoscience information necessary to guide investment decisions. About 75% of the funds were committed to be allocated for public geoscience in the North (NRCan, 2009b). The program involves the use of modern geological science and technology to gather data on the geological characteristics of all Northern territories that will help guide future resource development. GEM is a continuation of the Cooperative Geological Mapping Strategies Across Canada (CGMS) program.

## **2.2 Process**

### **2.2.1 NRCan's Approach to Strategic Environmental Assessment**

At NRCan, Responsible Centre Managers (RCMs) are responsible for conducting SEAs of policies, plans and programs submitted to the Minister or Cabinet for approval, and for all other strategic initiatives that may have environmental implications or public concerns of an environmental nature. NRCan has developed a tri-level process to assist RCMs in meeting the requirements of the Cabinet Directive. The tri-level SEA process is comprised of:

1. Preliminary Strategic Environmental Assessment (Pre-SEA), which assists officers in determining the need for, and the appropriate level of, SEA required;
2. SEA Scan, which helps determine the importance of environmental effects; and,
3. Detailed SEA, which provides for a comprehensive analysis of important environmental effects.

The Department has developed a range of guidance for undertaking SEAs. Part 3 of the Environmental Assessment (EA) Manual provides guidance for conducting SEAs, including: determining the importance of environmental effects, addressing public and stakeholder concerns, and presenting SEA results. Part 3 also outlines the roles and responsibilities for implementing the Cabinet Directive. In 2007, NRCan developed three templates that correspond to the tri-level SEA process (i.e., Level 1 – Pre-SEA; Level 2 – SEA Scan; Level 3 – Detailed SEA), which help promote greater consistency and rigour in analysis.

RCMs (i.e., proposal leads) are responsible for completing SEAs, with guidance and support provided by the Environmental Assessment Group, Strategic Integration Services. This group reviews all SEAs prior to submission to ensure that they meet the Cabinet Directive requirements. The Director General of Strategic Integration Services must sign off on all SEAs and also provides official concurrence that SEA requirements have been integrated into the NRCan proposals going forward to the Minister or Cabinet.

Public statements, which summarize Detailed SEA results, are posted on the departmental website upon the official announcement of initiatives.

## **2.3 NRCan's Approach to the Strategic Environmental Assessment of the Initiative to Map and Chart Canada's North**

### **2.3.1 Objectives**

The objective of this SEA was to examine the potential environmental effects associated with further mapping and charting of Canada's North over a 10 year period. NRCan led the SEA process, and opted to prepare an SEA Scan. NRCan consulted with the three co-sponsoring departments – DFO, INAC and DFAIT – on the preparation of the SEA Scan.

### **2.3.2 Strategic Environmental Assessment Methodology and Scope**

NRCan opted to prepare an SEA Scan rather than a Detailed SEA because two of the proposed initiatives within the mapping and charting proposal were existing initiatives that had undergone prior SEAs, and both SEAs concluded that the proposed initiatives would not result in significant environmental impacts. The potential environmental effects of mapping for UNCLOS were previously assessed in an SEA Scan prepared by NRCan in May 2003, while the potential environment impacts of Northern geo-mapping were previously assessed in an SEA Scan prepared for CGMS November, 2004.

The mapping and charting SEA Scan was prepared over a six-week period, with the involvement of approximately 5-6 NRCan employees. NRCan began engaging with DFO, DFAIT and INAC within a week of commencement of the SEA Scan. The draft Scan was distributed to the co-sponsoring departments for review in early November, 2007, and a final copy was provided to the departments at the end of November. The level of effort required by co-sponsoring departments was low, since information collection and preparation of the SEA was led by NRCan.

The original UNCLOS SEA Scan noted the potential for short-term environmental impacts from surveying activities, namely from the collection of bathymetric data, through sonar-based techniques, and the collection of seismic data. The Scan concluded that the potential effects could be mitigated through project-level environmental assessments and other measures, such as temporarily halting survey activities if vessels were in the presence of marine mammals. At the time of the mapping and charting proposal, five project-level environmental assessments for seismic surveying had been approved under the *Canadian Environmental Assessment Act*, and mitigation measures had been implemented. The mapping and charting proposal noted that any future surveys would follow the same approval process and implementation of mitigation procedures.

The original UNCLOS SEA Scan also noted the potential for long-term effects resulting from possible future resource development; development potentially informed by data collected from the initiative's survey activities. Additionally, the Scan recommended the establishment of a regulatory regime for exploitation in new areas if Canada's submission was ratified. The mapping and charting Scan concluded that the environmental impacts of such potential development would be assessed under the *Canadian Environmental Assessment Act* or other applicable environmental legislation. It noted that potential resource development is a long-term consideration and that there will likely be considerable advancements in all aspects of resource development (e.g., technological advancements).

Proposed activities under the CGMS initiative included, but were not limited to, airborne geophysical and remote sensing surveys, geological surface mapping, and laboratory analysis of rock samples. NRCan concluded that most field work would not have negative effects on the environment, and that any activities that had the potential to impact negatively on the environment (such as diamond drilling), would be subject to a project-level environmental assessment (EA). Similar to the UNCLOS proposal, data collected through CGMS are intended to identify and stimulate resource exploration leading to future resource development, development which could produce significant environmental impacts. The SEA Scan concluded that the final decision as to whether a resource development project would be allowed to proceed was beyond the control of the proponents of CGMS, and that future development would be subject to EAs and other applicable environmental legislation. Moreover, the Scan concluded that the activities under CGMS would generate information that would improve government ability to make sound resource development and resource protection decisions.

NRCan consulted with scientific experts on subject matter that had not been assessed in the two previous SEAs. The Department consulted DFO experts about the potential environmental impacts of echo sounding, the determination of water depth by sending sound pulses to the seabed. They concluded that although fish are sometimes disturbed by noise levels from vessels, there have been no recorded instances of deleterious effects to fish, mammals, or other marine life from echo sounding.

The SEA Scan on mapping and charting of Canada's North concluded that the initiatives within the proposal were not expected to result in significant environmental impacts, either positive or negative. Moreover, the assessment concluded that Polar Continental Shelf Project coordination of services for the above initiatives may result in an overall reduction of environmental impacts, by creating efficiencies in transportation and equipment use.

Upon review of the draft proposal, the Canadian Environmental Assessment Agency raised the concern that the proposal to generate public geoscience maps, which could support economic development for energy and minerals exploration, could generate important downstream environmental impacts should development occur. CEAA suggested that the mapping and charting proposal should therefore have been examined in the context of a Detailed SEA, in part because analysis of cumulative impacts is not likely to occur at the project-level under CEAA. NRCan explained that the SEA Scan prepared was the appropriate level of analysis, as the proposed mapping and charting activities, in and of themselves, do not assure that economic development will take place. Any potential future proposals for economic development activities would be subject to evaluation under applicable environmental legislation.

### **2.3.3 Public Consultation**

There was no public consultation undertaken specifically for this SEA, since there was ongoing consultation through the CGMS program and no public concern had been raised in regard to either of the existing programs.

## **2.4 Outcomes**

There were no specific measures taken as a result of this SEA Scan, however, NRCan staff noted that the information gathered through the SEA process informed the proposal. NRCan also felt that its collaborative approach with other co-signatory departments worked well for this SEA, and was a good example of the Department's collaboration on interdepartmental submissions.

Additionally, findings and conclusions of the SEA Scan informed the corresponding program funding proposals. For instance, the Scan highlights the potential for international collaboration with respect to the collection of data, which could reduce overall costs and environmental impacts. The proposal for the UNCLOS initiative made specific reference to this finding.

Lastly, project-level EA was invoked as a key factor in moving forward with the mapping and charting proposal. The SEA Scan highlights that project-level environmental assessments had been initiated and approved for the UNCLOS mapping exercises, and that projects arising from the proposal would be assessed according to applicable environmental laws and regulations prior to final decisions being made.

## **2.5 Conclusions**

The SEA on mapping and charting of Canada's North demonstrates several key features that can serve as a successful model for other federal organizations undertaking strategic environmental assessments. Four of these key success factors include:

- **Interdepartmental collaboration:** It is the policy of NRCan to engage co-sponsoring departments to provide input on SEAs. In the case of this SEA, a full working group was established early in the process that consisted of SEA coordinators and proposal leads

from NRCan, DFAIT, INAC and DFO. There was regular communication among group members, which resulted in the departments successfully completing the SEA in a timely manner, producing a collaborative assessment.

- **Clear roles and responsibilities:** NRCan has established clear roles and responsibilities for its SEA process. For the mapping and charting SEA, the SEA Coordinator from NRCan's Environmental Assessment Group was the key point of contact between NRCan and the SEA Coordinators from co-sponsoring departments. This led to efficient communication among the SEA working group.
- **Building on information:** The findings and conclusions of two previous SEAs were used to inform the analysis for the mapping and charting SEA, which reduced the level of effort required to collect information. Additionally, mitigation measures resulting from project-level EAs had been implemented for the UNCLOS program, adding value to the analysis.
- **Early integration:** NRCan began work on the SEA and proposal at the same time; therefore information gathered through the SEA process was able to inform the proposal, and vice versa.

### Cumulative effects

NRCan chose not to conduct a detailed analysis of the potential cumulative effects that may result from future resource development. The Department recognized that there may be future development with potential environmental impacts, but the timing, location or technologies of this development remain speculative. Potential cumulative effects will be examined through future assessment processes.

## 2.6 References

DFAIT. 2008. Defining Canada's Extended Continental Shelf. URL: <http://www.international.gc.ca/continental/limits-continental-limités.aspx?lang=eng>. Accessed: May 1, 2009.

NRCan. 2009a. Transcript of a Speech by The Honourable Gary Lunn, P.C., M.P., Minister of Natural Resources to the Newfoundland and Labrador Oil and Gas Industries Association (NOIA), 2008 Annual Conference, St. John's, Newfoundland, June 19, 2008. URL: <http://www.nrcan-rncan.gc.ca/media/spedis/2008/200848-eng.php>. Accessed: May 7, 2009.

NRCan. 2009b. GEM: Geo-mapping for Energy and Minerals. URL: [http://cgc.rncan.gc.ca/gem/index\\_e.php](http://cgc.rncan.gc.ca/gem/index_e.php). Accessed: May 1, 2009.

Office of the Prime Minister (PMO). 2008. Northern Strategy - Backgrounder. URL: <http://pm.gc.ca/eng/media.asp?id=2016>. Accessed: April 14, 2009.

### **3 SEA Completed for the Marmot Basin Site Guidelines**

---

#### **3.1 Overview**

Parks Canada's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage and foster public understanding, appreciation and enjoyment in ways that ensure their ecological and commemorative integrity for present and future generations. The *Canada National Parks Act (2000)* is the enabling legislation under which Canada's national parks are established and managed. One of the biggest challenges for national parks in Canada is how to define and implement the direction national parks are taking in managing development, growth and use.

Established in the late 1960's, Marmot Basin Ski Area (Marmot Basin) is one of four ski areas in Banff and Jasper national parks, and is the only one located in Jasper National Park, part of the Canadian Rocky Mountain Parks World Heritage Site. Given the evolving nature of the skiing industry and the close connection that Marmot Basin Ski Area has to local tourism, demands for expanded services and facilities at the ski area are increasing.

Several acts and policies are in place to guide future development of ski areas located within national parks. Of these, the *National Park Ski Area Management Guidelines (2006)* (Management Guidelines) provide the primary policy direction for managing the development and use of ski areas located in Banff and Jasper National Parks.

As directed by the Management Guidelines, Parks Canada prepares *Site Guidelines* (Site Guidelines) that represent the site-specific application of the Management Guidelines to individual ski areas. The primary focus of the Site Guidelines is to establish negotiated permanent limits to growth and outline types of projects and use, consistent with the Management Guidelines, which can be considered should the ski areas advance specific proposals in the future. Once the Site Guidelines are prepared, ski areas are responsible for creating one or more Long Range Plans that describe future development plans for the ski area. Environmental assessments of the Long Range Plans will address the project-level environmental effects of specific development proposals consistent with the policy direction established in the Site Guidelines.

Although strategic environmental assessments are not strictly required for Ski Area Site Guidelines under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, Parks Canada has chosen to undertake strategic environmental assessments of Site Guidelines to address the potential environmental implications and public concerns related to ski area development. A strategic environmental assessment of Site Guidelines is described by Parks Canada as a measure to "address the transition between considering the ecological implications of ski area development at the broad strategic levels... and project-level assessment of ski area development[s]... as set out in future Long Range Plans"<sup>2</sup>.

As a commercial operation within Jasper National Park, the development and operation of Marmot Basin Ski Area is governed by the *Canada National Parks Act (2000)*. Based on the Ski Area Management Guidelines, Site Guidelines for the Marmot Basin Ski Area were prepared in 2007. The Strategic Environmental Assessment for the Marmot Basin Site Guidelines for Development and Use was completed over the same time period and was

---

<sup>2</sup> Marmot Basin Site Guidelines Strategic Environmental Assessment, page 2

approved by the Jasper National Park of Canada's Superintendent in February 2008. The Site Guidelines were subsequently approved by Parks Canada Chief Executive Officer, also in February 2008.

Throughout the Marmot Basin strategic environmental assessment process, the general public, environmental groups, ski areas, Parks Canada science, planning and environmental assessment staff, and the Canadian Environmental Assessment Agency provided advice and input. This input was considered in the development and finalization of both the Site Guidelines and the Strategic Environmental Assessment ensuring consistency between the conclusions of the strategic environmental assessment and the scope of development and use considered within the approved Site Guidelines. Further stakeholder and public consultation will occur as part of the process to develop the Long Range Plans for the Marmot Basin Ski Area.

By addressing the ecological management parameters identified in the Marmot Basin strategic environmental assessment, Parks Canada will be better able to:

- Minimize and mitigate the negative environmental effects of future projects;
- Consider potential cumulative environmental effects of proposals, and
- Streamline project-level environmental assessments in the future.

## **3.2 Process**

### **3.2.1 Parks Canada's Approach to Strategic Environmental Assessment**

Parks Canada has been undertaking strategic environmental assessments, particularly for Park Management Plans, since the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* was first established. Although the approach to completing strategic environmental assessments is flexible throughout the Agency, the requirement to do environmental assessments of policies, plans and programs which have the potential to cause adverse impacts on natural or cultural resources is articulated in Parks Canada's *Management Directive 2.4.2 Impact Assessment*.

In addition to completing strategic environmental assessments for proposals submitted to the Minister or Cabinet such as Memoranda to Cabinet, Treasury Board Submissions, and new or amended legislation, Parks Canada has also determined that plans, policies and programs within the Agency that may require strategic environmental assessment include:

- Park/Historic Site/National Marine Conservation Area Establishments
- Park/Historic Site/National Marine Conservation Area Management Plans
- Species at Risk Recovery Strategies and Plans
- National Policies and Plans
- Community Plans
- Other proposals for specific parks, historic sites, and marine conservation areas

Park Canada has a range of guidance for undertaking environmental assessments. The Parks Canada Guide to the Environmental Assessment of Management Plans is the central piece of guidance on strategic environmental assessment. Additionally, exclusive guidance to conducting strategic environmental assessment is provided for the Species at Risk Recovery Documents. Direction for completing strategic environmental assessments has been embedded into other broader guidance material, such as the Guide to Management Planning.

Within Parks Canada, strategic environmental assessments are frequently prepared by the Environmental Science and Assessment Specialists at the regional level. Policy direction and guidance on strategic environmental assessment is provided from the national office.

Parks Canada's website lists public statements that summarize the strategic environmental assessment, at the time of any public announcement of the proposal's approval. Currently, more than 100 public statements are available through the Parks Canada website.

### **3.3 Parks Canada's Approach to the Marmot Basin Site Guidelines Strategic Environmental Assessment**

#### **3.3.1 Environmental Issues**

The Marmot Basin Ski Area is situated on the east face of Marmot Mountain. As part of the greater park ecosystem, its environmental importance stems from the diversity of native vegetation, habitat for small mammals, the presence of large mammals (grizzly bear, woodland caribou, mountain goat, wolverine, and lynx), natural soil features and water quality<sup>3</sup>.

#### **3.3.2 Objectives**

The objectives of the Marmot Basin Site Guideline Strategic Environmental Assessment were:

- To examine the Site Guidelines and present information about how ski area development and activity carried out, within those guidelines, would affect the ecological, cultural and visitor experience of Jasper National Park in a strategic planning context
- To determine if the Site Guidelines are consistent with direction provided in legislation and policy pertinent to the Parks Canada mandate
- To identify and assess potential cumulative environmental effects at regional and local scales to inform future long range planning and environmental assessment requirements
- To document the strategic environmental assessment process in accordance with the guidance in the Cabinet Directive

The strategic environmental assessment process was led by one of the Environmental Science and Assessment Specialists for the Western & Northern Service Centre of Parks Canada, who was supported by a team of 10–15 Parks Canada staff. The coordinator of this strategic environmental assessment devoted approximately 75% of his time over a six month period to the process. Other Parks Canada team members contributed, on average, at least one week of their time over the course of preparing the strategic environmental assessment<sup>4</sup>.

---

<sup>3</sup> Marmot Basin Site Guidelines Strategic Environmental Assessment, page 24

<sup>4</sup> Parks Canada staff anticipate that considerably less time will be required in the future, now that the approach has been established

### **3.3.3 Strategic Environmental Assessment Methodology and Scope**

The Marmot Basin Site Guidelines strategic environmental assessment is a detailed examination of the Site Guidelines and a presentation of information about how potential ski area development and activity carried out within the scope of those guidelines would affect the ecological, cultural and visitor experience environments of Jasper National Park.

The strategic environmental assessment process took place between May – December 2007. The strategic environmental assessment was ultimately approved by the superintendent of Jasper National Park in February 2008. Although starting with an initial platform of background information, the bulk of the Site Guideline process took place over a similar timeframe as the strategic environmental assessment process. Final approval of the Site Guidelines by the Parks Canada Chief Executive Officer, was given subsequent to the completion of the strategic environmental assessment, in February 2008.

The strategic environmental assessment report begins with an overview of the legal and policy framework governing the development and assessment of the Marmot Basin Site Guidelines. The assessment summarizes the public consultations held for the site guidelines and the draft strategic environmental assessment, with some indication of the range of views held by stakeholders.

The strategic environmental assessment explains the planning framework guiding the development of the Marmot Basin Site Guidelines, and describes the key components of the Site Guidelines that are to be considered in the strategic environmental assessment. A full description of the environment is also presented, based on information from former studies and research.

Valued components for environmental assessments, selected to evaluate the potential implications to ecological integrity, visitor experience and infrastructure capacity, are identified in the strategic environmental assessment. For each valued component of ecological integrity, there is a substantial discussion related to the current status and ecology of the valued component, existing and potential interactions and the resulting potential impacts, and knowledge deficiencies that are important to current and future management decisions. Mitigations are presented in the form of ecological management parameters, future planning and/or operational requirements, or future knowledge requirements that contribute to the realization of expected ecological outcomes. The impact assessment of valued components of ecological integrity also includes discussion of residual environmental effects and cumulative potential to realize expected ecological outcomes associated with the valued component as a result of implementing the Site Guidelines. The valued components for visitor experience and infrastructure capacity are also discussed, although in less detail.

The strategic environmental assessment concludes with defining a suite of the most important follow-up actions required for the subsequent long range planning process and environmental assessment. The focus of the follow-up actions reflects deficiencies in knowledge, as stated throughout the strategic environmental assessment report. Future studies and information requirements that must be addressed include:

- Information on vegetation fragmentation
- Hydrologic flow and water quality
- Caribou risk assessment and scenario modeling
- Goat habitat assessment
- Visual impact assessment

- Analyses of infrastructure capacity and requirements as appropriate

### **3.3.4 Public Consultation**

Parks Canada has, over many years, actively engaged ski areas and public stakeholders in the development of the Ski Area Management Guidelines and the scope of environmental impacts that should be addressed as part of ski area long range plans. This knowledge and input was carried forward into the initial development of the Site Guidelines and factored into the scope of the strategic environmental assessment for Marmot Basin. The collective expertise and advice of Parks Canada science, planning and environmental assessment staff from Jasper, Calgary and Ottawa were also fed into the two processes. The approach and scope of the strategic environmental assessment and the draft strategic environmental assessment document itself were also reviewed by the Canadian Environmental Assessment Agency.

The Site Guidelines and the strategic environmental assessment report were treated as companion documents during the public consultation processes. Prior to the finalization of draft documents a session was held with local environmental groups to discuss the key ideas in the Site Guidelines. Feedback from this session was considered in preparing the draft site guidelines and in identifying the scope and mitigations in the strategic environmental assessment. Public open houses for the Site Guidelines and strategic environmental assessment report were held in Jasper and Edmonton, and were attended by more than 100 people. Additionally, summary documents of the Site Guidelines and the strategic environmental assessment were made available for comment on the Parks Canada website. Copies of the full Site Guidelines and the strategic environmental assessment report were provided to major stakeholders and were also available upon request through the Parks Canada website.

Another key feature of the consultation process was an independent peer review mechanism. Parks Canada engaged two consultants to provide input on both the strategic environmental assessment process itself and on the ecological and technical content. The peer reviewers were engaged at various stages of the strategic environmental assessment process, from initial planning through to a review of the final submission prior to its release. These independent peer reviewers brought a wealth of relevant experience and expertise, as well as good understanding of the agency's history. Their input was particularly helpful as Parks Canada navigated this new approach to integrating the Site Guideline development process with the strategic environmental assessment process.

## **3.4 Outcomes**

Parks Canada initiated this flagship and innovative approach through the purposeful integration of strategic assessment throughout the site guidelines planning processes. The focus of the strategic environmental assessment was not to produce an end report, but to influence the development, content and implementation of the Site Guidelines on an on-going and iterative basis. The deliberate integration of the planning and assessment processes and the use of an outcomes-based approach to assessment represent a significant step in the continual improvement of Parks Canada's application of strategic environmental assessment.

### ***Integrating Ecological Decisions into Planning Documents***

By integrating these two planning processes, ecological management parameters developed through the strategic environmental assessment were able to be incorporated directly into

Section 5.2 of the Site Guidelines<sup>5 6</sup>. In so doing, Parks Canada ensured that important ecological insights and decisions made through the strategic environmental assessment process were not lost, but became central, “living” features of the Site Guideline planning document.

### ***Identification of Information and Knowledge Gaps***

The strategic environmental assessment also identified several specific information gaps related to some of the types of future development proposals that Marmot Basin may choose to advance in the future. The strategic environmental assessment identified specific requirements that must be addressed in future Long Range Plan proposals and environmental assessments<sup>7</sup>. These knowledge requirements were integrated into the Site Guidelines.

Parks Canada staff indicate that the iterative and integrated nature of the approach taken to develop the Site Guidelines and the strategic environmental assessment at the same time resulted in a tremendous amount of cross-fertilization of ideas, decisions and concepts. For instance, the ecological management parameters, and the knowledge and information requirements identified in the Site Guidelines were key inputs directly arising from the strategic environmental assessment process.

### ***Wildlife and Habitat Protection***

In developing the Site Guidelines, a leasehold reconfiguration that would result in the removal of the Whistlers Creek bed area and surrounding up-slopes from development, in exchange for consideration of potential initiatives that would normally be exceptions to the Ski Area Management Guidelines was considered. The role of the strategic environmental assessment was to evaluate the impacts associated with this potential reconfiguration and associated potential development. While affirming that the potential reconfiguration was positive from a conceptual standpoint, the strategic environmental assessment also recognized that inappropriate development and use could have the potential to compromise or even negate the intended positive impacts of the reconfiguration.

In response, the mitigations in the strategic environmental assessment focused on expected ecological outcomes and ecological management parameters that will guide future development to ensure that the intended benefits of the reconfiguration are realized. For instance, the strategic environmental assessment’s ecological management parameters specify management results associated with the potential reconfiguration that must be realized in future development proposals related to the potential displacement of caribou, increased density in predators, and the protection of caribou feeding habitat. Similarly, the need for, and the scope of, a caribou risk assessment was identified during the strategic environmental assessment process in recognition that there were potential impacts in relation to the potential reconfiguration that require more information before further development in the Whistlers Creek area could even be considered.

Informed by the outcomes and parameters of the strategic environmental assessment, the leasehold reconfiguration considered in the Site Guidelines, and supported in the strategic environmental assessment will provide greater certainty that Whistlers Creek bed and surrounding up-slopes will remain undeveloped, thus enhancing the protection of valuable caribou habitat and an important goat mineral lick, while also allowing for the consideration of potential business opportunity options for the ski operator.

---

<sup>5</sup> Marmot Basin Site Guidelines Strategic Environmental Assessment, page 26; Parks Canada pers. comm.

<sup>6</sup> Marmot Basin Ski Area Site Guidelines for Development and Use, section 8.0

<sup>7</sup> Marmot Basin Ski Area Site Guidelines for Development and Use, section 8.0

### ***Directing Planning Decisions***

The strength of the requirements presented in the strategic environmental assessment was recently tested at the Marmot Basin Ski Area. In the fall of 2008, the Marmot Basin Ski Area operator proposed the re-alignment of three chairlifts into one new one. Upon review of the proposed plan and project-level environmental assessment, Parks Canada staff concluded that the planning and information requirements identified in the strategic environmental assessment were not being met. Specifically, Parks Canada noted that certain Wildlife Ecological Parameters intended to address wildlife movement, habitat requirements and habituation (section 5.2.3 of the Site Guidelines) were not being met with the ski operator's proposed plan. Parks Canada required the ski operator to revise the plan to incorporate a commitment that would meet the Wildlife Ecological Parameters, and to incorporate this commitment into the project-level environmental assessment. The ski operator has obliged, and as a result the strength of the Site Guideline and the supporting strategic environmental assessment (the source of the ecological parameter) was successfully tested and demonstrated.

## **3.5 Conclusions**

The Marmot Basin Ski Area Site Guidelines Strategic Environmental Assessment demonstrates several key features that can serve as a successful model for other federal organizations undertaking strategic environmental assessments. In some cases, the impact of this particular strategic environmental assessment approach is also influencing the planning mechanisms of Parks Canada. Five of these key success factors have been selected for discussion in the following sections.

### ***3.5.1 Outcomes-based Approach***

Parks Canada adopted an outcomes-based approach for the Marmot Basin Ski Area Site Guidelines Strategic Environmental Assessment. Broad expected outcomes are stated to define what needs to be achieved through the Site Guidelines, particularly in the areas of ecological integrity, visitor experience, and infrastructure capacity. Parameters are defined for each valued component, aimed at achieving each expected outcome.

This approach has given Parks Canada a transparent and defensible basis for decision-making. Additionally, this approach also enables Parks Canada to clearly link project-level decisions together with the broader strategic plans and directions of the Agency, through the strategic environmental assessment and Site Guidelines.

### ***3.5.2 Early Introduction***

Parks Canada intentionally introduced the strategic environmental assessment process early into the Site Guidelines planning process. In this way, important information and direction resulting from the strategic environmental assessment could be built into the broader planning exercise of developing the Site Guidelines, and visa versa.

### ***3.5.3 Integrated into Planning***

Parks Canada integrated the strategic environmental assessment process throughout the Site Guideline development process. By integrating these two planning processes, ecological management parameters developed through the strategic environmental assessment could be incorporated directly into Section 5.2 of the Site Guidelines. In so doing, Parks Canada ensured that important ecological insights and decisions made through

the strategic environmental assessment process were not lost or relegated to a stand-alone report, but became central, "living" features of the Site Guideline planning document.

This approach is having an effect in the rest of the Agency. Increasingly, Parks Canada staff are seeing the utility of strategic environmental assessment as a planning tool. The Marmot Basin Ski Area example has successfully demonstrated that links can be made between strategic-level policy planning through to project-level planning. As a result, Parks Canada staff are increasing their effort to maximize the planning benefits of strategic environmental assessment based on the Marmot approach, particularly in addressing cumulative effects.

#### ***3.5.4 Comprehensive and Integrated Consultation***

Parks Canada utilized input from a broad range of stakeholders gathered previous to, and during, the life cycle of both processes. Parks Canada took an integrated approach to consultation treating the Site Guidelines and the strategic environmental assessment report as companion documents during the public consultation processes.

Additionally, Parks Canada incorporated independent peer review into the strategic environmental assessment process. The independent peer reviewers brought a wealth of relevant experience and expertise, as well as good understanding of the agency's history. Their input was particularly helpful as Parks Canada navigated this new approach to integrating the Site Guideline development process with the strategic environmental assessment process.

#### ***3.5.5 Identification of Gaps in Knowledge - Dealing with Uncertainty***

The strategic environmental assessment clearly identified knowledge deficiencies, and the mitigation measures introduced in the strategic environmental assessment address these deficiencies and have been integrated into the Site Guidelines. As a result, any projects and proposals which come forward in the future, must demonstrate how these deficiencies are going to be addressed. Aligning the identification of knowledge gaps and future information requirements with the ecological outcomes and parameters identified in the strategic environmental assessment provides a reasonable way to address uncertainty in the environmental assessment process at the strategic level and ensure that future decisions are informed by improvements in knowledge based on important criteria.

### **3.6 References**

Gilson, Neil. April 6, 2009. Pers. Comm.

Parks Canada. 1998. Management Directive #2.4.2. Impact Assessment

Parks Canada. 2008. Marmot Basin Ski Area Site Guidelines for Development and Use

Parks Canada. 2008. Marmot Basin Ski Area Site Guidelines for Development and Use – Strategic Environmental Assessment

## **4 SEA Completed for the Ukraine Country Development Policy Framework**

### **4.1 Overview**

As Canada's lead agency for development assistance, the Canadian International Development Agency (CIDA) has a mandate to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world. More specifically, CIDA seeks to manage and administer development cooperation policies and programs that will:

- advance Canadian values of global citizenship, equity, and environmental sustainability, as well as Canadian interests regarding security, prosperity, and governance;
- deliver visible, durable impact on the world's key development challenges as identified in the Millennium Development Goals (MDGs);
- focus on reducing poverty through an effective and focused approach which will match Canadian niches with developing countries' needs in coordination with other donors;
- recognize and promote sustainable solutions to address the critical linkages between environmental degradation, poverty, and social inequity; and
- mobilize Canadians to build our society's capacity to contribute effectively to global poverty reduction.

As part of its bilateral programming, CIDA completes Country Development Program Frameworks to identify the needs of partner countries and determine whether they align with CIDA's mandate and programming objectives. In this way, CDPFs provide Canada and partner country's with a strategic platform for developing and implementing programs and projects.

#### **4.1.1 Bilateral Assistance to the Ukraine**

Canada and the Ukraine enjoy a long-standing relationship based on over one hundred years of Ukrainian migration to Canada and more particularly through a bilateral agreement signed by both parties in 1994 and reaffirmed in 2001 and 2008. As one of the first international donors to respond to Ukraine's post-independent<sup>8</sup> needs (1991) for technical assistance, Canada has provided support valued at more than \$360 million. Traditionally Canada's support to the Ukraine focussed on supporting the country's transition to a market-based economy, promoting democratic governance, increasing Canada trade and investment linkages and promoting nuclear safety. The CDPFs for the periods 1997-2001 and 2002 -2006 provided a narrower focus and moved to fewer projects. The later maintained a dual mandate of ensuring the successful integration of Ukraine into the global market economy and contributing to the development of a democratic system of government driven by rule of law.

---

<sup>8</sup> The *Act of Declaration of Independence of Ukraine* was adopted by the Ukrainian parliament on August 24, 1991. The Act established Ukraine as an independent, democratic state.

In 2005 CIDA's Performance Management Division completed an evaluation of the Ukraine Program and determined that there have been significant developments in both the Ukraine and in Canada that have affected the political landscape in both countries, warranting a review of the CIDA's second CDPF. Furthermore, in April 2005 Canada released its International Policy Statement which placed Ukraine as one of Canada's 25 development partner countries, indicating its commitment to help the Ukraine meet its transition goals and objectives.

In response to the new direction, CIDA implemented a two phased process to develop a new CDPF designed to provide the Ukraine with assistance from 2008 – 2012. Beginning in 2006, Phase I included the development of a CDPF Concept Paper that presented an analysis of the Ukrainian development priorities which was compiled by completing preliminary consultations with the Ukrainian government and reviewing relevant policy documents. The outcome of this analysis determined that the program's focus should be in two sectors: **governance** and **private sector development**, with gender equality and environmental sustainability proposed as crosscutting themes.

As part of Phase II, a series of consultations were conducted with both governments and representatives from Canadians and Ukrainian civil society to determine the details of a renewed program framework that reflects a joint Ukrainian and Canadian approach to delivering technical assistance to the Ukraine.

As a result of this process, it was determined that the objective of CIDA's programming in the Ukraine would be: to contribute to sustainable development with equitable living standards for all Ukrainians and increased socio-economic opportunities for the poor. Through a focus on governance the program aims to:

- Strengthen public institutions that are more effective and efficient;
- Strengthen democracy;
- Improve realization of human rights; and
- Improve rule of law.

Through its focus on private sector development, the program seeks to improve the Ukraine's small and medium sized enterprise and agriculture sectors so that they contribute to equitable and environmentally sustainable growth, job creation, and improved income opportunities for men, women, youth, farmers and those from marginalized groups.

## **4.2 Process**

### **4.2.1 The Canadian International Development Agency's Approach to Strategic Environmental Assessment**

As a federal development agency, CIDA is required to apply the strategic environmental assessment process to all policy, plans and program proposals requiring Ministerial approval. Since 1992, CIDA's *Policy on Environmental Sustainability* calls for the systematic

integration of the environment into programming<sup>9</sup>. As one of the CIDA's cross-cutting themes, the environment is the basis for achieving sustainability through the organization's policies, programs, and activities. Strategic environmental assessment is a tool that helps the organization achieve sustainability by integrating environmental considerations and environmental indicators at the conceptual planning phase of its activities.

In July of 2004, the President of CIDA published the *Implementation Directive on Strategic Environmental Assessment of Policy, Plan and Program Proposals* to ensure the Agency's compliance with the Cabinet Directive. This Directive provides a set of administration principles to be followed over the course of the SEA process. In the same year CIDA prepared its first Strategic Environmental Assessment (SEA) Handbook to assist policy analysts with completing an SEA and meeting the Cabinet Directive's requirements<sup>10</sup>. This handbook is also aligned with the Organization for Economic Cooperation and Development/Development Assistance Committee's document titled *Applying Strategic Environmental Assessment – Good Practice Guidance for Development Cooperation*<sup>11</sup>.

CIDA typically completes SEA for the following initiatives:

- Allocation memoranda and other memoranda to Cabinet (MCs);
- Treasury Board submissions;
- Country (and regional) development programming frameworks (CDPFs, RDPFs);
- Strategic plans, implementation plans and action plans;
- Policies;
- Development programs;
- Sector-wide approaches (SWAs); and
- Sector reviews and guidelines.

CIDA's process for implementing SEA begins with conducting a preliminary scan to determine whether there are any potential significant positive or negative environmental effects from a proposed policy, plan or program proposal. Policy Analysts are encouraged to seek advice from their respective Environment Specialist as early in the proposal's development process to ensure that the SEA process is performed in the early phase of a proposal's development.

A detailed SEA is required when a preliminary scan indicates that the implementation of the proposal may result in important positive or negative environmental effects. SEA analysis can be performed directly by environmental specialists or contracted out to private consultants for review by environmental specialists. The review procedure can involve the environment specialist reading the SEA, providing comments, having the author of the SEA make changes, revising the changes, etc. until the SEA is suitable for approval by the environment specialist. After the review is completed, the SEA report must be attached to the policy, plan or program proposal approval document before the document proceeds through the Agency's approval process. A copy of the SEA must be sent to CIDA's

---

<sup>9</sup> To view the policy go to: [http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/Policy2/\\$file/ENV-E.pdf](http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/Policy2/$file/ENV-E.pdf)

<sup>10</sup> To view CIDA's SEA Handbook go to: <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/EMA-218131145-PHA#pdf>

<sup>11</sup> To view the OECD's Good Practice Guidance go to: <http://www.oecd.org/dataoecd/4/21/37353858.pdf>

Environmental Integration Unit, Strategic Policy and Performance Branch for corporate compliance and accountability processes before it is forwarded to the President of CIDA for final approval.

#### **4.2.2 The Strategic Environmental Assessment for the Ukraine Country Development Policy Framework**

CIDA's approach to completing the strategic environmental assessment process for the CDPF included two main interventions; one at the conceptual design phase of the CDPF and another prior to initiating activities under the CDPF's governance and private sector development program areas. Two SEA reports were completed over a period beginning in 2006 and ending in 2008<sup>12</sup>.

##### *SEA for the Ukraine CDPF Concept Paper and its Implementation*

CIDA prepared an SEA report for the concept paper that outlined the strategic orientation of the Ukraine CDPF. The SEA was prepared in accordance with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* (Cabinet Directive) because the concept paper was submitted to the Minister for approval and because a preliminary scan identified potentially important positive and negative environmental effects. Program staff completed the SEA in accordance with the Agency's SEA Handbook and in consultation with a Europe, Middle East and Maghreb Branch Senior Environmental Specialist. The SEA was completed over a five month period and was finalized in February 2006.

In addition to this SEA, CIDA completed an SEA that reviewed the environmental considerations associated with the implementation of the Ukraine CDPF. This SEA was prepared in support of policy decision and programming approaches in compliance with the Cabinet Directive and the Agency's *President Directive on the Implementation of the Strategic Environmental Assessment of CIDA's Policy, Plan and Program*. The SEA was prepared internally with the ongoing involvement of two senior environment specialists over the course of January to July 2008.

CIDA environment specialists participated regularly throughout the development and completion of the CDPF, making invaluable contributions to the completion of the two SEA reports and contributing to the development of the program's logic model and its performance review framework.

##### *Methodology and Scope*

The SEA report provides background on the Ukraine CDPF, CIDA's policy framework, and the environmental issues and challenges that currently exist in the Ukraine. The report explains that the Ukraine ranks 108<sup>th</sup> out of the 146 countries in the 2005 Environmental Sustainability Index and that the environment and environmental management suffer from a legacy of neglect beginning with the Soviet era and continuing through the post-independence period. Other notable challenges referenced in the report include: a reliance on resource intensive and polluting industries as means to maintaining economic stability; the government's reluctance to impose environmental regulations because of the fear that they may impose costs on business for updating outdated equipment, facilities and or

---

<sup>12</sup> For the preparation of the CDPF, CIDA completed a technical analysis to develop a broader understanding of the relevant environmental issues and an administrative report to help define the means to ensure the continuous integration of environmental issues and aspects to be addressed over the course of the CDPF's lifecycle. As the Ukraine program is a five year program that responds to the needs identified by local authorities, each project is analyzed to ensure the integration of environmental issues.

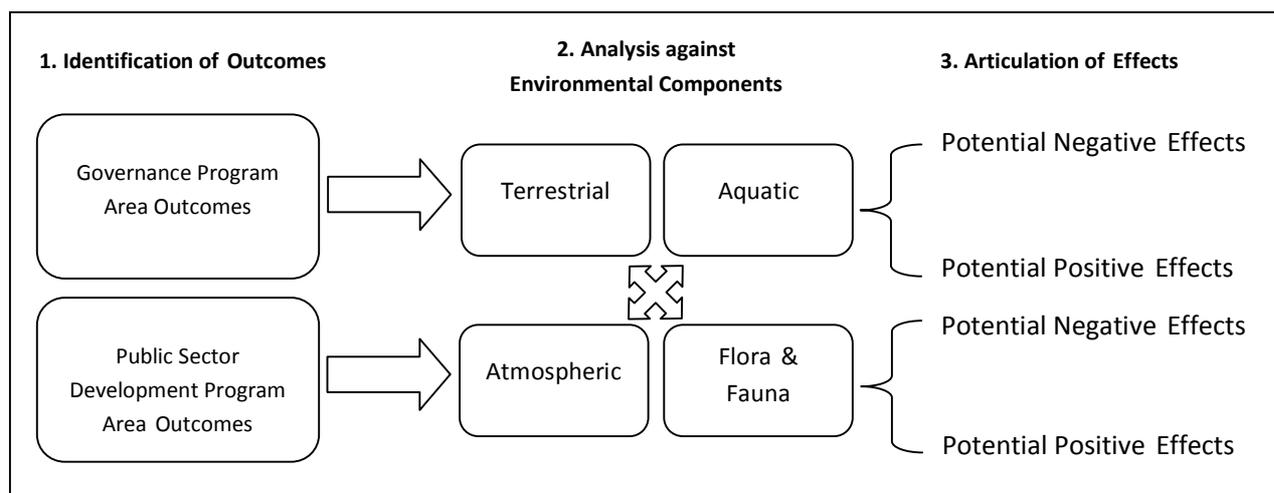
process; the absence of any sustainable development goals or targets in the country's policy or legislative framework; and poor land management practices in the agriculture sector.

The SEA provides an analysis of the anticipated environmental effects for potential activities completed under the governance and private sector development program areas. The analysis includes the identification of likely outcomes and assesses them against four environmental components:

1. Terrestrial: e.g. landscape, land use, soil quality and soil erosion;
2. Aquatic: e.g. marine and freshwater water quality and quantity, and groundwater;
3. Atmospheric: e.g. air pollution, climate, noise and odour; and
4. Flora and Fauna: e.g. protected areas, conservation of habitat, preservation of rare ecosystems, and maintenance of biodiversity.

The identified environmental effects were also evaluated for their potential to affect human health and poverty.

The analysis concludes with a presentation of the likely outcomes of implementing the CDPF in each program area (i.e. governance and private sector development), including a detailed discussion of their potential positive and negative effects. Figure 1 presents an illustration of the strategic environmental assessment's environmental effects analysis.



The likely outcomes associated with a program focus on governance include changes to: public administration, legal and judicial administration and processes and potential changes in public sector decision-making, including the role of civil society. Some examples of positive environmental effects referenced are:

- ✓ Anticipated changes to public administration and public policy as a result of capacity building initiatives can lead to an improved integration of environmental concerns into Ukrainian policy formulation and implementation; and
- ✓ An increase in the role played by civil society in decisions making by increasing the capacity and independence of the judicial and legal systems, the environment and citizens are better protected from illegal actions and flawed decision-making processes.

An analysis of potential negative effects is also completed. The strategic environmental assessment notes that allocating resources to the development of policy for the natural resource sectors may lead to negative environmental effects if policy is developed by government officials who are not equipped with the appropriate skill-set to introduce effective environmental protection measures.

Similarly to the analysis presented above, the SEA presents a discussion of the potential outcomes associated with the private sector development program area. These outcomes include: changes in economic activity and resource use patterns leading to improvements in markets and enabling environments and improved services for small and medium enterprises; stabilization or strengthening of the rural population base by increasing economic opportunities; and changes in corporate practices as a result of improved business services and information.

Notable positive environmental effects associated with the private sector development program area include: changes in economic activity and resources use patterns leading to positive environmental effects by increasing incomes and by transferring economic activity from ecologically damaging or resources intensive industries to more sustainable industries (e.g. renewable); changes in settlement patterns leading to improved human health as a result of movement into cleaner environments and more appropriate land use practices; changes in corporate practices and processes leading to a promotion of resource conservation, green procurement, and a lower waste production from industrial and commercial processes.

The report explains that changes to economic activity and resource use patterns can lead to negative environmental effects by increasing the economic activity of ecologically damaging or resource intensive industries. Potential negative effects include:

- Increased levels of air and water pollution resulting in negative effects on human health;
- Increases in the level of greenhouse gases;
- Increased demand of natural resources;
- Increase in waste production;
- Declining biodiversity through unsustainable land use patterns; and
- Negative effects to human health as a result of workplace hazards (e.g. exposure to chemicals).

A specific suite of potential negative environmental effects as a result of suboptimal agriculture practices is also presented.

The environmental analysis concludes with a brief discussion of the potential cumulative effects associated with activities carried out over the full five years of the CDPF, particularly in two areas: concentrated rural economic activity (e.g. soil and water degradation) and increased urbanization (e.g. urban air quality, demand for energy).

#### *Public Consultation*

CIDA did not hold specific consultations for the SEA. Instead, the Agency reports that a series of consultations with the Government of the Ukraine, involved donors, and with representatives from Canadian and Ukrainian civil society were held over the course of the CDPF's development. No significant environmental concerns were raised.

#### *Mitigation Measures*

The strategic environmental assessment underlines that the potential negative environmental effects identified in the report can be significant and that non-compliance with international and Ukrainian environmental standards is likely if the proposed mitigation measures are not addressed appropriately. The report also notes that Ukraine's environment is already under significant stress and institutional capacity to respond to activities that lead to further environmental degradation is limited. Therefore, the SEA highlights that if activities under the two program areas are carried out without concern for environmental sustainability, important cumulative impacts can occur. Flowing from this discussion is a series of mitigation measures presented in three areas<sup>13</sup>:

##### *1. Integration of Sustainable Development Considerations into Project Planning*

Mitigation measures designed to integrate sustainable development considerations into project planning processes are proposed as a way of minimizing potential adverse effects caused by project activities. Examples include:

- Development officers should discuss their projects with environmental specialists before project concept papers are developed so that potential risks and opportunities can be flagged as early as possible;
- Identify that projects and activities with potential adverse environmental effects are subject to an environmental assessment in accordance with the Ukraine legislation on environmental assessment or to CIDA's obligations under the Canadian Environmental Assessment Act;

---

<sup>13</sup> The mitigation measures presented in this section were presented in the SEA completed for the Concept Paper.

- Ensure that linkages between gender and environment are considered carefully; and
- Develop environmental indicators to be addressed over the course of a project's lifecycle.

### *2. Minimizing the Environmental Effects of Agriculture Projects*

The SEA also proscribes a series of specific measures for agriculture-related projects. Examples include:

- Projects should promote environmentally friendly production technologies in sustainable agriculture practices;
- Where possible, introduce improved sustainable farming practices and better use and management of pesticides, integrated pest management systems;
- Where possible, introduce cleaner more energy efficient food processing and production techniques and technologies; and
- Ensure that intensification strategies for fragile lands are completed prior to project commencement.

### *3. Establishing Support for Environmental Management Capacity Building in the Governance and Private Sector Development Sectors*

The SEA also highlights the value of including direct support for developing environmental management capacity in the private and public sectors. Building capacity in this area is perceived as a long-term investment with substantial benefits such as reduced risks to human health, a stronger foundation for sustainable livelihoods and poverty reduction.

### *4. Project to Project Mitigation Measures*

In effort of enhancing the sustainability conditions and minimizing negative environmental effects of CIDA funded projects, the SEA included a series of mitigation measures to be applied at the project level:

1. Ensure that CIDA environmental specialists participate in the implementation and monitoring of the CDPF;
2. Ensure that an environmental specialist is a member of each project team and is involved in all stages (i.e. planning, design, implementation, monitoring, etc.) or a project's lifecycle;
3. An environmental analysis is required for each proposed project. This analysis is to identify opportunities for capacity development in the area of environmental management for all involved stakeholders on a project by project basis;
4. Formulate anticipated environmental outcomes and develop specific indicators to be reported on in the program Logical Analysis Framework;
5. Ensure that an assessment of environmental sustainability (i.e. assessment of progress and results) is included in the Terms of Reference for any internal or external monitoring and or evaluation exercise; and
6. Require Executing Agencies to prepare an environmental strategy that addresses environmental sustainability considerations, including an analysis of risks and opportunities.

Implementation of these mitigation measures can ensure that sustainable development considerations are integrated at the planning stages of projects carried out by CIDA in the Ukraine.

### *Monitoring and Reporting*

To ensure that the potential negative environmental effects are kept to a minimum, the SEA prescribes a monitoring and reporting protocol to provide greater assurance that the proposed mitigation and enhancement measures are implemented successfully.

CIDA officials are asked to identify expected results and indicators for environment effects in their performance measurement tools for all of their programs and projects associated with the CDPF. Mitigation and enhancement measures are to be monitored on a regular basis through annual project performance reporting, annual program performance reporting, and by including environmental considerations in terms of reference for evaluations, monitoring and reviews.

Corrective measures are to be implemented as required and CIDA officials are to address situation where environmental results are not being achieved.

### *Conclusion*

The SEA concludes that with appropriate mitigation measures, no significant negative environmental effects are considered likely to result from implementation of the Ukraine CDPF. Furthermore, application of the SEA's proposed mitigation measures provides an opportunity to promote sustainable development at all levels of government and within business and civil society, leading to a shift from environmentally damaging economic activities to more sustainable enterprise.

## **4.3 Outcomes**

The Canadian International Development Agency initiated a two-step approach to performing the strategic environmental assessment for the CDPF. This approach included the integration of sustainability factors at both the design and implementation phases of the programming framework. It also provides a roadmap for linking environmental considerations from the conceptual design phase of program, policy or plan to its implementation by introducing a list of pragmatic mitigation measures that can enhance the environmental benefit and reduce the environmental risk of projects implemented under each program area. In addition to these mitigation measures, the strategic environmental assessment introduced environmental performance criteria and indicators for monitoring and reporting on environmental outcomes.

The strategic environmental assessment identified potential negative environmental effects that may occur as a result of projects implemented under the CDPF, particularly negative effects associated with agriculture practices and activities. In this way the SEA presents a precautionary approach to providing development assistance to the Ukraine with an aim of ensuring that:

- CIDA financed initiatives will not have adverse effects on an already fragile environment or to the country's weak institutional capacity;
- CIDA adequately addresses the threats that may hinder the long-term success of CIDA investments; and
- CIDA funded projects take full advantage of enhancing environmental conditions and management opportunities in the Ukraine.

As a result of completing their SEA, CIDA is better placed to implement the CDPF in a way that will allow it to achieve its goal and objectives, and work towards fulfilling the department's mandate.

The strategic environmental assessment's mitigation measures have begun to yield positive results that are enhancing the environmental management capacity challenges in the Ukraine. In one case a project designed to enhance the capacity of the National Bank of the Ukraine to adopt a more flexible exchange rate and updated monetary framework to stimulate the local economy was modified to include an environmental specialist. In this case a CIDA environment specialist analyzed potential opportunities to enhance the bank's monetary policies and procedures so that they adequately address the environment and key issues such as climate change.

In this case the environmental specialist is required to monitor the effects of more flexible lending policies on the country's natural-resource based economy, including an assessment of the potential negative effects presented by climate change.

#### **4.4 Conclusions**

The Strategic Environmental Assessment for the Ukraine Country Development Programming Framework provides several lessons learned and examples of good practice that can be applied in other organizations undertaking strategic environmental assessments. Four of these are provided below:

##### *Early Integration and Re-profiling When Necessary*

CIDA took the initiative to ensure that the strategic environmental assessment was completed at two pivotal points over the course of the CDPF's development. This approach allowed the organization to identify environmental considerations at the conceptual stage of the CDPF and later develop pointed mitigation measures for implementing projects under the finalized framework. This approach emphasizes the importance to start a strategic environmental assessment early and revisit it as a proposal or concept continues to mature. In this case the Ukraine Program Manager ensured that the department's environment specialists were engaged at key strategic points, such as at the program planning phase and at crucial points associated with program implementation and execution.

##### *Leverage Existing Information*

For this SEA, a separate formal public consultation process was not required because CIDA could determine from existing information sources that there were no significant environmental concerns presented by government or civil society. Addressing existing information sources is paramount for verifying whether public concerns exist and can help determine whether additional public consultation is required.

##### *Developing Pragmatic Mitigation Measures*

To ensure that environmental sustainability is a key component of all projects flowing from the CDPF and that environmental risks and liabilities are minimized, CIDA developed a set of mitigation measures that provide guidance to policy analysts responsible for overseeing projects carried out by implementing agencies/organizations. For example, the SEA recommends the early and ongoing involvement of an environmental specialist for CIDA funded projects and activities as a measure for ensuring that an appropriate environmental analysis for each project can occur.

##### *Monitoring and Follow-up and Measuring Environmental Outcomes*

The SEA recommends that all projects flowing from the CDPF are required to identify their anticipated environmental outcomes and develop specific performance indicators to be tracked over the course of a project's lifecycle. To facilitate this process CIDA has modified their existing performance management reporting structure to include outcome-based environmental indicators that are linked to the Ukraine Program Performance Review.

#### **4.5 References**

Canadian International Development Agency. 2009. Ukraine Country Development Programming Framework 2008 – 2012. January 2009.

Interview with Camille Pomerleau on April 17, 2009. Environment Group Leader, Sector and Thematic Specialists Division, Geographic Programs Branch, Canadian International Development Agency.

Canadian International Development Agency, 2008. Ukraine Country Development Policy Framework: Strategic Environmental Assessment. July 2008.

Fuda, Sabrina 2008. Evaluation of Strategic Environmental Assessment Reporting at the Canadian International Development Agency. December 2008.

Canadian International Development Agency, 2006. Ukraine CDPF Concept Paper: Strategic Environmental Assessment. February 2006.

## **5 SEA Completed for the Extension of Accelerated Capital Cost Allowance to Ground Source Heat Pump Systems**

---

### **5.1 Overview**

Finance Canada is the federal government department responsible for planning and preparing the federal government's budget, and analyzing and designing tax policy.<sup>14</sup> This work is reflected in the presentation of a yearly budget by the Minister of Finance, which typically includes announcements of changes in Canada's tax system. An important part of Finance Canada's work revolves around the annual budget cycle, that is, researching, monitoring and preparing proposals for consideration by the Minister in preparation of the budget.

Integrating sustainable development considerations into policy making is one of Finance Canada's five 2007-2009 Sustainable Development Strategy goals. It committed to meet this goal by, among other things, evaluating the potential for the use of economic instruments as a policy tool for addressing environmental issues. In this context, the Department has a target to:

*"Examine potential changes to the tax system to assist the Government in meeting its environmental objectives, including proposals received from responsible policy departments and external stakeholders."*

In its report on planned activities to implement the strategy in 2007-08, the Department indicated that it would continue to review potential modifications to the accelerated capital cost allowance provisions for clean energy generation equipment in Class 43.2<sup>15</sup>. It is in this context that in its 2008 budget cycle, Finance Canada briefed its Minister on a proposal to extend these provisions to include ground source heat pump (GSHP) systems.

#### **5.1.1 Accelerated capital cost allowance**

Capital cost allowance (CCA) is the deduction a firm makes for income tax purposes in respect of the cost of a capital asset (such as a piece of equipment or a building) it has acquired. The CCA rate for an asset determines the portion of the cost of the asset that can be deducted each year (generally a fixed percentage of the balance of the original cost which remains undepreciated). CCA rates are generally set so that the cost of an asset is allocated over the period that the asset contributes to earnings – its useful life.

---

<sup>14</sup> Finance Canada also develops rules and regulations for Canada's banks and other financial institutions, administers the transfer of federal funds to the provinces and territories, develops policies on international finance, helps design Canada's tariff policies, monitors economic and financial developments in Canada, and provides policy advice on a wide range of economic issues. Source: <http://www.fin.gc.ca/afc/index-eng.asp>.

<sup>15</sup> Eligible equipment must generate either (1) heat for use in an industrial process or (2) electricity, by: using a renewable energy source (e.g. wind, solar, small hydro); using waste fuel (e.g. landfill gas, manure, wood waste); or, making efficient use of fossil fuels (e.g. high efficiency cogeneration systems) (EnerWorks Inc., 2007)

Government sometimes supports firms' investment in particular assets by providing accelerated CCA – depreciation rates that are higher than would be suggested by the useful life of the asset. Class 43.2, for example, provides a CCA rate of 50% for a range of equipment that produces energy using renewable energy or waste sources, or by making efficient use of fossil fuel.<sup>16</sup> For a company, this measure does not reduce the amount of tax it pays overall, but it defers taxation by reducing taxes in the early years of the asset's life and increasing them in the later years. This increases company cash flows in the short term when the company has to pay the cost of acquiring the equipment. It provides a financial benefit because of the time value of money – a dollar of tax that has to be paid five years from now is less costly to a firm than a dollar of tax that has to be paid today.

### **5.1.2 Ground source heat pump systems**

In its 2007 budget, the government committed to "identifying additional measures to promote promising new clean energy technologies ..." and proceeded to broaden the scope of the accelerated CCA to cover industrial/commercial applications of solar energy systems for space and water heating.<sup>17</sup> In its 2008 budget, the scope of this measure was again broadened to include, among other things, GSHP systems that meet the standards set by the Canadian Standards Association governing the design and installation of earth energy systems.<sup>18</sup> As for most tax measures introduced in a federal government budget, the Class 43.2 eligibility for GSHP systems was announced to be effective as of Budget Day - February 26, 2008.

## **5.2 Process**

### **5.2.1 The SEA process at Finance Canada**

Finance Canada has been systematically conducting SEAs since 2003. Internal SEA guidance in the Tax Policy Branch, for example, states:

"All tax measures being submitted to the Minister for decision, including in the context of the budget, must be assessed for potential environmental effects.<sup>(19)</sup> Where a proposal originates in another department, that department may provide information relevant to conducting the analysis, but the Department of Finance is responsible for ensuring that an SEA is completed and incorporated into the advice to the Minister of Finance." (FIN, 2007)

The Department has designed an interactive two-part SEA questionnaire to assist analysts in identifying whether a policy will have important environmental effects. Each Division's management is responsible for signing off SEAs and preliminary scans, which are then sent to the Director General, Analysis, also for signature. A tracking list of all SEAs and preliminary scans is maintained by the Department.

<sup>16</sup> An example of its application is as follows: a company that has acquired a \$1 million GSHP system eligible for Class 43.2 would calculate in the year of acquisition a basic amount of 50% of this original price (\$500,000). As with most asset classes, however, only one-half of the usual CCA claim is allowed in the year of acquisition since assets will have been bought at various times during the year and, on average, only used for about half of the year. Thus, the company is entitled to deduct \$250,000 in calculating its taxable income for the year of acquisition. In the second year of the GSHP system's life, the company is entitled to deduct 50% of the undepreciated balance of the original purchase price:  $\$750,000 \times 50\% = \$375,000$ . In the third year, the company would be entitled to deduct 50% of the remaining undepreciated balance:  $\$375,000 \times 50\% = \$187,500$ . As long as it owns this asset, this process continues, though after a few years, most of the cost will have been written off.

<sup>17</sup> The extension went beyond what was already covered in the measure, solar energy systems for industrial process heating purposes.

<sup>18</sup> GSHP systems may in effect be considered "below-ground" solar energy systems as unlike deep geothermal systems, they rely more on the ground's ability to absorb and store solar heat than on heat from the earth's core.

<sup>19</sup> i.e., budget measures, legislation, regulations, orders-in-Council, agreements, policy announcements made via press release, and other proposals for decision.

For the Tax Policy Branch, the SEA process is tied very closely to the annual cycle of budget preparations, because the budget is the principal means by which tax changes are announced. This cycle includes research, analysis, input from and consultations with stakeholders and other experts, monitoring of submissions made to the House of Commons Finance Committee's Fall pre-budget hearings, the development of options and recommendations for the Minister, the conduct of a preliminary scan for environmental effects, and if needed, a full SEA. The SEA generally remains "an open and evolving document" throughout the cycle, in order to accommodate new information and analysis as it is collected or received. An early start to the SEA is encouraged as part of the tax policy proposal process.

It should be noted that while Finance takes in and monitors information and submissions about potential budget items and meets on request with interested parties, there are major limitations on the ability of Department officials to consult openly on potential tax options being considered, due to the requirement of secrecy around whether particular measures may be included in the budget or not.

### ***5.2.2 The SEA for the extension of accelerated CCA to GSHP systems***

The SEA for this tax measure was conducted by the Resource and Environmental Taxation Section of Finance's Business Income Tax Division. The Division has about 25 officers, who all work on analysis and policy development of business tax measures, including applying the SEA policy to determine potential environmental impacts. Responsibility for the SEA lies with the principal analyst working on the initiative. The Department encourages analysts to consult experts in other departments as appropriate, and for this SEA, officials from Natural Resources Canada and Environment Canada provided technical and policy advice.

Finance Canada's examination of this tax measure was prompted by submissions made by an industry group, the Canadian GeoExchange Coalition (CGC). In particular, the CGC presented a case for equivalent treatment between GSHP systems and above-ground active solar equipment with respect to accelerated CCA. The CGC met with Finance officials in the spring of 2007 (after that year's budget), and presented the technology and their arguments for why it should also receive accelerated CCA. This timing coincided with the beginning of Finance Canada's budget preparation cycle, and research, analysis and the SEA processes were begun. The CGC also presented a formal, written submission on the issue as part of the House of Commons Finance Committee pre-budget hearing process in the fall of 2007.

### ***5.2.3 Identifying positive environmental impacts***

The SEA notes that including GSHP systems in Class 43.2 is meant to provide an incentive for further installation by industrial and commercial entities of these systems to supply energy for heating and hot water purposes. The positive environmental impacts identified are those from lower emissions of greenhouse gases and air pollutants, as the GSHP technology displaces fossil fuel consumption, and due to its efficiency, which reduces demand for electricity from the grid. An additional benefit noted is that the installation of such systems contributes to diversifying the Canadian energy supply.

### ***5.2.4 Identifying and mitigating negative environmental impacts***

In its SEA, Finance described three possible negative environmental effects that could arise from the use of this technology. The first was that an imbalanced heating/cooling load over time may negate the energy efficiency benefits of a GSHP system. An imbalance can occur

when there is an excessive amount of heat extracted from the ground each year relative to the amount that is re-injected into the ground. More heat, when not balanced by cooling, can deteriorate the heat pump efficiency, leading even to the breakdown of the heat pump in the system (Shu et al., 2006). The second possible negative effect was the risk that the coolant in the underground loop may leak, causing soil and/or groundwater contamination.

Through research, consultation with other departments and the submissions from industry, it was concluded that these risks could be mitigated by limiting the eligibility of GSHP systems for the accelerated CCA to those that have met Canadian Standards Association (CSA) standards for the design and installation of earth energy systems.<sup>20</sup> The SEA does not mention that ensuring eligibility through this standard should also limit possible negative cumulative effects from the greater numbers of GSHP system installations one might expect as a consequence of this tax measure.

The third negative effect identified was potential land use change resulting from the drilling and/or trenching necessary to install a GSHP system. While the SEA did not explicitly treat this effect, an interview with a departmental official revealed that the view was that provincial and municipal land use regulations and by-laws could be relied on to address this issue.<sup>21</sup>

## **5.3 Outcomes**

### **5.3.1 Processes for monitoring outcomes and impacts**

Opportunities to monitor uptake and impacts of this particular tax measure appear limited. This is due to the nature of the tax system itself; it is not a funding program where individual applications are screened and can be followed, but a self-reporting procedure. The CCA system requires that businesses segregate assets they have purchased into roughly 50 different CCA classes with different rates. In order to prevent undue complexity, however, businesses are not required to systematically report a detailed breakdown of assets within each class, though this information can be scrutinized in the audit process. Therefore, the principal piece of information that can be ascertained from tax data is the total amount of investment in Class 43.2 assets each year. However, these data do not provide a breakdown by technology (e.g., GSHP, solar, wind, cogeneration, landfill gas, etc.).

Even if such data on usage of particular technologies were available, all of the usage could not be considered to have been induced by the availability of accelerated CCA – some of the investments no doubt would have taken place even without the incentive. Determining the degree of incrementality associated with such financial incentives is difficult, given the myriad variables that could contribute to a business taxpayer's decision to invest in GSHP technology (e.g., changing interest rates and other financing terms, rising energy costs, familiarity with the technology, anticipated environmental regulations, and other non-related tax measures affecting investment). One monitoring option for future consideration may be the conduct of a large sample audit of Class 43.2 beneficiaries, recognizing, however, the potential for bias in such surveys.<sup>22</sup>

<sup>20</sup> The primary relevant standard at the time was CSA Standard C448-2 for "Design and Installation of Earth Energy Systems" (to allow for standard improvements, the standard number is not specified in the regulations).

<sup>21</sup> Finance Canada official, interview April 29, 2009.

<sup>22</sup> For example, a firm that has benefitted from a government incentive may not believe it is prudent to state in a survey that the investment would have been undertaken even without the incentive, even if this is in fact the case.

Finance receives feedback about the operation of the incentive through consultations with the Canada Revenue Agency (CRA), the agency responsible for administering the tax laws, and NRCan, which provides expert advice to CRA on technical matters relating to the application of the Class 43.2 regulations. These discussions highlight issues that have arisen in the application of the regulations, often in the context of taxpayers seeking guidance on the operation of the tax laws from CRA through technical interpretations or formal advance rulings.<sup>23</sup> These discussions provide useful information about the take-up of the measure and issues relating to application of the eligibility requirements. In some cases, these discussions eventually lead to legislative policy changes to improve the targeting of the measure. As GSHP systems were only made eligible in 2008, however, there is little feedback available at this time.

### **5.3.2 Reporting**

Finance Canada, in a Sustainable Development supplement to its Departmental Performance Report, annually reports on actions that contribute toward objectives set out in its Sustainable Development Strategy and its annual Report on Plans and Priorities. The supplement for 2008-09 noted that analysis had been conducted with respect to the extension of accelerated CCA to GSHP systems and other applications. This is part of the ongoing review of the scope of Class 43.2 to ensure it appropriately reflects emerging clean energy technologies. This type of work represents progress towards the SDS goal of examining opportunities to align the tax system to assist the government in meeting its environmental objectives. When a full SEA is conducted in respect of an announced measure such as the change for GHSP systems, the Department includes a public statement of environmental effects in the budget announcement. The department provides a listing of these public statements, with links to the relevant documents, on its website.

As noted under section 3.1 above, however, it will be difficult for Finance Canada to report measurable results for the stated environmental objectives of this tax measure (e.g., reducing GHG and air pollutant emissions).

## **5.4 Conclusions**

### **5.4.1 SEA best practices**

There are a number of best practices found in this SEA that lend themselves to replication by other government departments.

- SEAs at Finance Canada are generally begun *early in the policy development process*, shortly after the identification of possible budget items for analysis.
- SEAs associated with Budget items remain “open and evolving” documents, that can take into account information about potential environmental impacts and mitigation opportunities acquired through consultations, monitoring, and research throughout the

---

<sup>23</sup> Through the advance ruling process, taxpayers can seek guidance from the CRA on the eligibility of their particular case for tax incentives such as Class 43.2.

preparatory process, and are most likely the richer for it. What is important about the SEA is that it provides “a framework for a systematic consideration of these issues”.<sup>24</sup>

- The SEA relating to GSHP systems was improved by *consultation* with the industry association that first promoted it, in particular with respect to mitigating potential negative environmental impacts. Such consultation shows the possibilities for, and value of, stakeholder input, even within the limits of the confidentiality constraints regarding tax policy measures being considered for potential announcement in the budget.

- There is potential for this SEA to contribute to *streamlining environmental assessments at the project level* (for example, in a public/private partnership construction project), as it has already identified potential negative environmental impacts, and the means to mitigate them.

- There is also potential for the content of this SEA to *inform future SEAs* for tax policy or other incentive-based changes with respect to GSHP systems. The GSHP system-specific content could also be *valuable to future SEAs being conducted by other government departments* in respect of this technology.

- The SEA *benefited from technical and policy support* provided by NRCan and Environment Canada. This kind of support is described in the Guidelines for Implementing the Cabinet Directive, where Environment Canada’s role to “provide expert policy, technical and scientific analysis and advice ... on the potential environmental effects of policy, plan and program initiatives” is noted.<sup>25</sup>

- Although not mentioned in the SEA, the accelerated CCA Class 43.2 provision benefits from *the collaborative follow-up role of Finance Canada, NRCan and CRA in its implementation*. This is a step toward “closing the loop” between designing a measure, ensuring mitigation against potential negative environmental impacts, and confirming that in its implementation in fact such negative impacts (or in fact, any others) do not occur.

#### **5.4.2 SEA deficiencies**

The SEA did not mention Finance Canada’s *limited ability to quantify the impacts of this type of measure*. While to do so is not an easy task for this type of tax measure, it is a relevant piece of information for decision-makers.

#### **5.5 References**

EnerWorks Inc. 2007. Excerpt from the March 19 Budget Papers: Accelerated Capital Cost Allowance for Clean Energy Generation. URL: <http://www.enerworks.com/Pdf/Excerpt%20from%20the%20March%2019%20Budget%20Papers%20-%20CCA%20Allowance.pdf>

---

<sup>24</sup> Finance Canada official, interview April 29, 2009.

<sup>25</sup> Guidelines for Implementing the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals, 2004, p. 9.

FIN. 2007. Key Points on Strategic Environmental Assessment, November 2007. 4p.

Shu, H., L. Duanmu, R. Hua, Y. Zou, and G. Du. 2006. Study of the design Method of an Efficient Ground Source Heat Pump Thermal Source System in a Cold Area. Energy Systems Laboratory, Texas A&M University.