14 June 2013

The Honourable Peter Kent, P.C., M.P.
Minister of the Environment
Les Terrasses de la Chaudière, North Tower
10 Wellington Street, 28th Floor
Gatineau, Quebec  K1A 0H3

Dear Minister:

I am pleased to provide you with my comments on the consultation paper titled Planning for a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2013–2016, which I received from Environment Canada on 15 February 2013. I am providing these comments in accordance with the duties specified under section 9(4) of the Federal Sustainable Development Act.

In addition to reviewing the FSDS, my colleagues and I carried out examinations and interviews to ensure that we correctly understood its key elements.

Under the Act, I am required to comment specifically on whether the targets and implementation strategies in the FSDS can be assessed. My colleagues and I looked at the clarity and measurability of the targets and implementation strategies. In particular, we assessed whether they were relevant, specific, measurable, time-bound, and achievable. Overall, we found that the targets and implementation strategies need more clarity and measurability to facilitate the assessment of their progress in the future. We also found that the FSDS is incomplete and missing elements. As a result, the Strategy’s potential as a tool for communicating the government’s environmental and sustainable development plan is not fully realized.

In the accompanying review, we have included details of our review findings and recommendations that you may wish to consider. These recommendations are aimed at improving the clarity and measurability of the FSDS as well as its role as a tool for communicating the federal government’s plans for addressing environmental issues.

With some improvements, the FSDS could become a clear and measurable plan that shows Canadians what the government is doing to deal with environment and sustainable development issues.

.../2
As I intend to include this assessment in my October 2013 Report to Parliament, I would appreciate receiving a response to the recommendations we have identified in our review. We will include your responses to our recommendations in our October 2013 Report.

Yours sincerely,

Neil Maxwell  
Interim Commissioner of the Environment and Sustainable Development

Enclosure

c.c.: Honourable Richard Neufeld, Senator  
Chair, Standing Senate Committee on Energy, Environment and Natural Resources

Dr. Harold Albrecht, M.P.  
Chair, Standing Committee on Environment and Sustainable Development
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Introduction

1. In February 2013, the federal government released a consultation paper titled Planning for a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2013–2016. The proposed Strategy addresses four themes:

   - Addressing climate change and air quality (I),
   - Maintaining water quality and availability (II),
   - Protecting nature (III), and
   - Shrinking the environmental footprint—Beginning with government (IV).

A total of 34 targets and 217 implementation strategies are associated with the four themes.

Target—An example of a target in a Federal Sustainable Development Strategy is, relative to 2005 emission levels, reduce Canada’s total greenhouse gas emissions by 17 percent by 2020. Each target in the FSDS is supported by one or more implementation strategies.

Implementation strategy—An implementation strategy is a specific federal action for achieving a target in the Federal Sustainable Development Strategy.

2. Under section 9(4) of the Federal Sustainable Development Act, the Commissioner of the Environment and Sustainable Development is required to review a draft of the federal government’s sustainable development strategy (FSDS) and comment specifically on whether the targets and implementation strategies in the FSDS can be assessed. This is not an audit; rather, the observations and recommendations that follow are based on our statutory review of the 2013–2016 FSDS.

Observations and Recommendations

3. Clear and measurable targets and implementation strategies provide the basis for assessing and reporting on progress toward the goals contained in the federal sustainable development strategy (FSDS) and are an important part of good accountability and transparency. A complete and assessable sustainable development strategy can also play an important role in communicating the government’s priorities.

4. We looked at the clarity and measurability of the government’s targets and implementation strategies to determine if they could be assessed. In particular, the criteria we used to assess the targets and strategies were whether they were

   - relevant,
   - specific,
   - measurable,
   - time-bound, and
   - achievable.
We considered targets and implementation strategies to be assessable if they met all five criteria. Further details about our review questions are presented in About the Review. We carried out additional examinations and interviews to ensure that we correctly understood key elements in the draft Strategy.

**Targets and implementation strategies**

**All targets are relevant but most need to be more specific and measurable**

5. **Assessing targets.** Overall, we found that nearly half of the 34 targets (16) met 3 or more of the criteria; however, only 6 of the 34 targets (18 percent) met all of the criteria. We found all 34 targets in the current draft Strategy to be relevant, reflecting important issues. Most of the targets we assessed were missing key elements, such as an indication of the extent of change desired and timelines that would make the targets more clear and measurable (Exhibit 1).

<table>
<thead>
<tr>
<th>Criteria used to assess targets</th>
<th>Results of assessment—out of 34 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant</td>
<td>34</td>
</tr>
<tr>
<td>Specific</td>
<td>10</td>
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6. These missing elements create problems when trying to assess progress. For example, the target “reduce risks to Canadians and impacts on the environment and human health posed by harmful substances emitted to air” reflects current priorities of the federal government; however, this target does not specify a timeline or the extent of the reduction sought, which would provide a basis for assessing progress. The target “increase the percentage of First Nations with water and wastewater systems with low risk ratings by 2016” has a clearly stated timeline, but it indicates neither how much of an increase the government is aiming for, nor what baseline it is starting from. The addition of this type of information would strengthen the targets and help to assess progress.

7. The lack of clear and measurable targets in the draft Strategy affects whether it can be assessed. This also reduces its value for communicating the government’s plan for sustainable development. See a fuller discussion of this topic starting at paragraph 20.

8. Examples of the targets we found to be clear and measurable included the target to reduce Canada’s total GHG emissions by 17 percent by 2020, relative to 2005 emission levels (Target 1.1), and the target to improve the condition of at least one Ecological Integrity Indicator in 20 national parks by 2015 (Target 4.4). These targets are reasonably specific and time-bound, and include a quantitative measure that facilitates
assessing progress. These are examples that can be used as guides for creating clear and measurable targets.

9. **Recommendation.** Beginning with the 2013–2016 Federal Sustainable Development Strategy, Environment Canada should lead the further development of targets that are specific, measurable, and time-bound, and where possible, make use of quantitative measures, such as baselines and/or thresholds to help assess progress.

10. **Developing interim targets.** We noted that of the 10 long-term targets (longer than the next three years) in the draft Strategy, only one included an interim target. Target 3.6 states that the government will reduce phosphorus loadings to Lake Simcoe by 2017 and is, in effect, an interim target that supports a longer-term Province of Ontario target, which is to reduce phosphorus inputs into Lake Simcoe to 44,000 kg/year by 2045. While this target lacks a quantitative measure stating how much the federal government hopes to help reduce phosphorous levels, the interim milestone of 2017 helps clarify the government’s short-term timelines.

11. **Recommendation.** Beginning with the 2013–2016 Federal Sustainable Development Strategy, Environment Canada should lead the further development of interim targets, where appropriate, as a means of assessing progress toward longer-term goals and targets and clarifying what the government intends to achieve in the short term.

Implementation strategies are missing elements that would make them more assessable

12. **Elements in implementation strategies.** The current draft Strategy contains 217 implementation strategies. We found that few of them met all of the criteria and, hence, had all the elements needed to fully assess progress. We also found that virtually all of the implementation strategies were directly linked to their respective targets. While some contained statements such as “continue to . . .” to describe the nature of the department or agency’s contribution to the target (without referring to specific results or deliverables), about one-third are reasonably clear—an important starting point for assessing progress.

13. **Recommendation.** Beginning with the 2013–2016 Federal Sustainable Development Strategy, Environment Canada should lead the further development of implementation strategies that are specific and include the elements needed to assess progress.

14. **Identification of key implementation strategies.** As noted, the draft Strategy contains 217 implementation strategies, associated with 34 targets. Most of the targets have fewer than 5 implementation strategies linked to them; however, 15 targets have 5 or more implementation strategies, and some have between 10 and 50. While it may help the reader understand the scope of the government’s activities, we found that the large number of implementation strategies associated with some targets makes it difficult to determine which ones are most important and critical to achieving the target. Highlighting these would help focus assessment and progress reporting, and would help improve how the FSDS communicates the government’s priorities.
15. **Recommendation.** Beginning with the 2013–2016 Federal Sustainable Development Strategy, Environment Canada should lead the identification of key implementation strategies to help focus assessment and reporting, and help parliamentarians and Canadians understand which implementation strategies are priorities.

**Federal government actions are not specifically measured by indicators**

16. We note the expansion of the Canadian Environmental Sustainability Indicators (CESI) program; the CESI program is a helpful contribution to reporting on the state of the environment. The draft Strategy states that this expansion has been undertaken “to ensure that indicators are available to measure progress on all FSDS goals and targets.”

17. In addition, the draft Strategy has introduced environmental sustainability indicators to measure progress on the goals and targets under the first three FSDS themes. This use of indicators in the FSDS should help assess progress on the targets. These environmental sustainability indicators need to be complemented by others directly linked to federal actions. Based on the nature of some of the implementation strategies listed in the FSDS, complementary indicators could include such things as the number of new regulations or standards produced during the period of the FSDS, projects funded, and completed research projects and peer review publications.

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**Indicator**—A single measure most often expressed in quantitative terms. Indicators rely on consistency in data collection and are used to measure progress against benchmarks or baselines.

18. **Recommendation.** Beginning with the 2016–2019 Federal Sustainable Development Strategy, Environment Canada should lead the development of indicators that would complement the environmental sustainability indicators, and assist in measuring the contribution of the federal government’s actions.

**Theme IV (Shrinking the Environmental Footprint—Beginning with Government)—is more specific and focused**

19. We found that Theme IV of the draft Strategy (on shrinking the environmental footprint of government) shows improvement; it is more strategic and focused than the approach taken in the 2010–2013 FSDS. The previous FSDS contained one broad goal of minimizing the environmental footprint of government operations. The current draft Strategy establishes three more specific goals:

- reduce the carbon footprint and energy consumption of federal operations (Goal 6),
- reduce waste generated and minimize the environmental impacts of assets throughout their life cycle (Goal 7), and
- improve water management in federal operations (Goal 8).

Additionally, Theme IV has six targets (four of which meet most of the criteria we assessed them against) accompanied by seven implementation strategies and six best practices that departments and agencies can adopt. The approach to Theme IV demonstrates how it is possible to communicate the government’s plan in a form that can be assessed.
Completeness of the Strategy

20. The FSDS states that it contributes to transparency and accountability by continuing to build a whole-of-government picture and by incorporating a broad range of federal actions that support FSDS targets. However, we found it to be incomplete in some respects. Missing or incomplete elements jeopardize the FSDS’s potential for communicating the government’s environmental and sustainable development plan.

Some key government initiatives are missing

21. The current draft Strategy states that the Government of Canada “strives to ensure” that sustainable development goals address important challenges and problems, and that they reflect domestic and international priorities and commitments. We found that some key initiatives of the government are missing or are not fully considered in the draft Strategy, for example:

- the federal government’s responsible resource development agenda;
- monitoring water, land, and biodiversity in the oil sands region;
- actions announced in Budget 2012 to strengthen tanker safety; and
- steps being taken to implement legislative changes that have important implications for environmental protection (for example, the Fisheries Act and the Canadian Environmental Assessment Act).

Some legislative, policy, and program decisions may not have been finalized by the time the draft Strategy was released, or were announced after its release for comment. Nonetheless, it is important that the final Strategy be as up-to-date as possible, which includes explaining how important initiatives relate to it, and integrating key initiatives into the targets and implementation strategies as appropriate.

22. Recommendation. Beginning with the 2013–2016 Federal Sustainable Development Strategy, the relationship between key initiatives and the Strategy should be explained, and incorporated into targets and implementation strategies as appropriate.

There is opportunity to integrate the social and economic dimensions of sustainable development

23. The draft Strategy is primarily focused on environmental sustainability. As future versions of the Strategy are developed, we feel it will be important that the social and economic dimensions of sustainable development be integrated into it.


The approach to integrating sustainable development considerations in decision making is incomplete

25. A fundamental principle of the Federal Sustainable Development Act is to integrate sustainable development considerations into government decision making. The
draft FSDS states that it will “continue to” support integrated decision making by including FSDS goals and targets in strategic environmental assessments and by considering environmental performance in the procurement of goods and services. Green procurement is included as a target in the draft Strategy (Target 7.2). It is our view that additional target(s) and implementation strategies related to integrating sustainable development considerations into government decision making would complement the green procurement target and help ensure that the FSDS targets incorporate all aspects of decision making. It would also provide a basis for monitoring and reporting progress in this area.

26. **Recommendation.** Beginning with the 2016–2019 Federal Sustainable Development Strategy, Environment Canada should lead work aimed at including target(s) and implementation strategies related to integrating sustainable development considerations into decision making.

**There are opportunities to increase department and agency participation**

27. We found that 16 of the 27 departments and agencies that produce their own sustainable development strategies have implementation strategies that contribute to Themes I to III (that is, addressing climate change and air quality, maintaining water quality and availability, and protecting nature), of the current draft Strategy. The remaining departments and agencies contribute only to reducing the government’s environmental footprint (Theme IV). Incorporating social and economic dimensions more fully into the FSDS, and including targets or implementation strategies related to integrated decision making, could expand departmental and agency participation in the FSDS. We note that three organizations are voluntarily contributing to implementation strategies and targets in the draft FSDS.

28. We found that not all relevant departments and agencies are named in some targets and implementation strategies. For example, Target 4.7 states that the ministers of Public Safety and of the Environment are both responsible for preventing, mitigating, or minimizing the “impact of major environment disasters, accidents and emergencies by helping Canadians to prepare for, respond to and recover from such occurrences.” The government’s Federal Emergency Response Plan, which was developed to outline how the Government of Canada would respond to an emergency, identifies 11 additional departments and agencies with primary emergency support functions. We note that 10 of them are also required to produce their own sustainable development strategies that contribute to the FSDS, and yet reference to them in relation to the target is incomplete.

29. Also, implementation strategy 3.11.1 states “Federal custodians complete remediation/risk management activities at federal contaminated sites for which they are responsible in order to reduce human health and ecological risks at higher-priority sites.” The Federal Contaminated Sites Inventory identifies 22 federal custodians of contaminated sites. We note that 14 of these custodians are required to produce their own sustainable development strategies that contribute to the FSDS; however, only Environment Canada is named in the target. The absence of some relevant departments and agencies being named in the FSDS raises concerns with respect to its completeness and the accountability for government activities. Moreover, there is a risk that the FSDS is understating the scope of the government’s sustainable development responsibilities and possible activities.
30. **Recommendation.** Beginning with the 2016–2019 Federal Sustainable Development Strategy, Environment Canada should lead work aimed at further expanding the number of voluntary departments and agencies contributing to the FSDS. Environment Canada should also lead work aimed at ensuring that the contributions of departments and agencies to targets are recognized.

**How stakeholder suggestions were considered in preparing the FSDS is not explained**

31. We found that Environment Canada has conducted extensive research, consultation, and outreach with departments, agencies, and other stakeholders to assess the 2010–2013 FSDS and identify areas for improvement. Some suggestions for improvement included taking a more proactive and strategic approach, by, for example, performing a scan of risks and opportunities to inform the choice of goals and targets, and including a long-term vision in the FSDS. The stakeholders also suggested exploring environmental issues, such as climate change adaptation, education, and outreach, as well as the concept of the green economy, to drive the integration of the social and economic dimensions of sustainable development.

32. We found that in addition to the improvements noted in Theme IV of the current draft Strategy, a target related to climate change adaptation has been added under Goal 1. With this exception, we could find only limited evidence of how the many suggestions received by Environment Canada on the FSDS had been applied to its development. Environment Canada produced a synthesis report of public consultations for the 2010–2013 draft Strategy that summarizes comments received; however, it was not clear from this document how these comments were considered and acted upon. Accompanying the FSDS with a summary of how stakeholder suggestions were considered and acted upon would help strengthen both the communications aspect of the FSDS, and support openness and transparency.

33. **Recommendation.** For the 2013–2016 (and future versions of the) Federal Sustainable Development Strategy, Environment Canada should explain how key comments and suggestions from stakeholders were considered and acted upon.

**Financial information and resource needs are not included**

34. The government has committed to the integration of the FSDS with the government’s core expenditure planning and reporting system. With the exception of one implementation strategy, we note that the draft Strategy does not include an indication of the finances or resources that are required and are to be allocated to deliver on the targets or implementation strategies. We recognize that financial information on individual implementation strategies may not be fully aligned with the information in the Expenditure Management System, but resources for some implementation strategies should be available. In future strategies, it would be important to make a concerted effort to integrate financial and resource information, to make the strategy more complete.

35. **Recommendation.** For the 2016–2019 FSDS, Environment Canada, with the support of other departments and agencies, should begin to incorporate financial and resource information into the FSDS.
Conclusion

36. The draft Federal Sustainable Development Strategy addresses environmental issues that are relevant and important to Canadians. We concluded that 6 of its 34 targets (18 percent) met all of the criteria and are sufficiently clear and measurable to assess and report on progress. Another 10 met 3 or more of the criteria which will allow a partial assessment of progress. There are some well-defined targets that can be used as models for improving the FSDS.

37. Compared to the 2010–2013 FSDS, we found improvement with Theme IV, the greening of government operations section: it is more focused and measurable. We also note that environmental sustainability indicators have been introduced to measure progress on the goals and targets under the first three FSDS themes. In addition, we note that three organizations are voluntarily contributing to implementation strategies and targets in the draft FSDS, a positive development.

38. We found the draft Strategy to be incomplete in some respects, with some key government initiatives missing or not fully considered. Improving completeness and clarity would help the FSDS achieve its potential for communicating to Canadians what the government is doing to deal with the environment and sustainable development issues.
About the Review

All of the review work in this report was conducted in accordance with the standards for review engagements set by The Canadian Institute of Chartered Accountants.

Scope and approach

The team reviewed the consultation draft titled Planning for a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2013–2016. Specifically, the team assessed the 34 targets and 217 implementation strategies against the review criteria in the following table. We also considered the completeness of the Strategy.

Criteria

<table>
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<tr>
<th>Criteria</th>
<th>Questions</th>
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<tr>
<td><strong>To determine whether the targets and implementation strategies in the draft Federal Sustainable Development Strategy (FSDS) for 2013–2016 can be assessed, we used the following criteria:</strong></td>
<td></td>
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<tr>
<td>Relevant</td>
<td>— Is the target/implementation strategy aligned with higher goals and themes of the FSDS?</td>
</tr>
<tr>
<td></td>
<td>— Is the target/implementation strategy significant and relevant in the context of sustainable development and government priorities?</td>
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<tr>
<td>Specific</td>
<td>— Is the target/implementation strategy clear, well defined, and understandable?</td>
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<td></td>
<td>— Does the target/implementation strategy indicate the extent of change and direction (increase, decrease, maintain) of the results to be achieved?</td>
</tr>
<tr>
<td>Measurable</td>
<td>— Is it clear how progress will be measured?</td>
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<td></td>
<td>— Do the measures accurately represent what is being measured?</td>
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<td></td>
<td>— Does the target/implementation strategy allow for comparison over time?</td>
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<tr>
<td>Time-bound</td>
<td>— Is the time frame for achieving results stated, specifying what is required by when (including, if relevant, milestones to be completed)?</td>
</tr>
<tr>
<td>Achievable</td>
<td>— Does the FSDS specify the performance indicators required to monitor progress? (Note: we did not assess whether the target or implementation strategy was being achieved.)</td>
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