Canadian Environmental Assessment Agency

Performance Report

For the period ending
March 31, 1999
Improved Reporting to Parliament
Pilot Document

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

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

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

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

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

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

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

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

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

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

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

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Performance Report

For the period ending
March 31, 1999

The Honourable David Anderson, P.C., M.P.
Minister of the Environment
# Table of Contents

**Executive Summary**  ................................................................. 1  

**Chart of Key Results Commitments**  ........................................ 3  

**SECTION I: Minister’s Message**  .............................................. 5  

**SECTION II: Departmental Overview**  
2.1 Mandate, Mission and Vision  ............................................... 7  
2.2 Operating Environment  ...................................................... 8  
2.3 Departmental Organization  ............................................... 12  

**SECTION III: Departmental Performance**  
3.1 Performance Expectations  .................................................. 13  
3.2 Performance Accomplishments  ......................................... 14  

**SECTION IV: Consolidated Reporting**  
4.1 Year 2000 Readiness  ....................................................... 33  
4.2 Sustainable Development Strategy  ..................................... 34  
4.3 Regulatory Initiatives  ..................................................... 36  
4.4 Statistical Summary of Environmental Assessments  .............. 38  

**SECTION V: Financial Performance**  
5.1 Financial Performance Overview  ....................................... 39  
5.2 Financial Summary Tables  ............................................... 40  

**SECTION VI: Other Information**  
6.1 Description of the Federal Environmental Assessment Process  ............................................... 45  
6.2 Contacts for Further Information and Agency Web Site  ........... 47  
6.3 Legislation Administered and Associated Regulations  .......... 48  
6.4 Other Agency Statutory Reports and Information  .................. 48  
6.5 Topical Index  ................................................................. 49
Tables

Table 3-1 Performance Expectations ........................................... 13
Table 3-2 Comprehensive Studies Completed
During 1998-99 .................................................................. 18
Table 5-1 Financial Requirements by Authority ......................... 40
Table 5-2 Comparison of Total Planned Spending
to Actual Spending ............................................................. 41
Table 5-3 Historical Comparison of Total Planned Spending
to Actual Spending ............................................................. 41
Table 5-4 Respendable Revenues ............................................... 42
Table 5-5 Non-Respendable Revenues ...................................... 42
Table 5-6 Statutory Payments ...................................................... 42
Table 5-7 Transfer Payments ...................................................... 43
Table 5-8 Capital Spending ......................................................... 43

Figures

Figure 2-1 Organizational Chart .................................................. 12
Figure 3-1 Resource Inputs ......................................................... 14
Figure 3-2 Comparison of Average EA Costs as a Percentage
of Project Capital Costs ......................................................... 23
Executive Summary

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>To provide Canadians with:</th>
<th>To be demonstrated by:</th>
<th>Achievements reported in DPR on pages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.</td>
<td>• Environmental assessments that are effective, efficient, timely, involve public participation and support the principles of sustainable development.</td>
<td>15-24</td>
</tr>
<tr>
<td></td>
<td>• Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions.</td>
<td>25-30</td>
</tr>
<tr>
<td></td>
<td>• Consistent and predictable application of environmental considerations into federal decision making.</td>
<td>31-32</td>
</tr>
</tbody>
</table>

*DPR – Departmental Performance Report*

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


A crosswalk of changes from the old to new results commitments is found in Section III: Departmental Performance on page 13.
I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 1999.

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

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

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

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

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

David Anderson
SECTION II: Departmental Overview

2.1 Mandate, Mission and Vision

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

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

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

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

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

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

i) the *Canadian Environmental Assessment Act* and its accompanying regulations;

ii) multilateral and bilateral harmonization agreements with provincial and territorial governments that set out mutually agreed-upon arrangements for environmental assessment; and

iii) international agreements containing environmental assessment provisions to which Canada is a party, for example, the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

The Agency also assists the Minister in implementing the 1999 *Cabinet Directive on Strategic Environmental Assessment* and in promoting the application of environmental assessment to policies, plans and program proposals in the federal government. The Agency provides guidance and training to federal authorities to improve the implementation of environmental assessment considerations and requirements with respect to proposed policies, plans and programs (see page 32).
In addition, the President of the Agency has been designated by order-in-council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*, and the *North Eastern Quebec Agreement*.

### 2.2 Operating Environment

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Be recognized as a credible advocate of high-quality environmental assessment.

ii) Advance the science and practice of environmental assessment.

iii) Learn from experience and share results.

iv) Clarify and improve environmental assessment processes with other jurisdictions and with federal partners.

v) Strengthen relationships with partners and stakeholders.

vi) Improve the Agency’s capacity to monitor, assess and foster compliance.

vii) Address gaps in the application of the Act and other federal environmental assessment processes.

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

Challenges

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

As a result, stakeholders are demanding that the Agency play an increased leadership and advisory role. This must be tempered with other federal departments’ interests in maintaining the principle of self-assessment. At the same time, momentum is building across government to modernize the delivery of programs and services. This includes delivering an ever-improving mix of services that meets the needs of Canadians while respecting government fiscal restraints.
Challenges faced by the Agency are detailed below. How the Agency responds will affect how resources are allocated and ultimately how services are delivered.

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

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

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

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

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

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2.3 Departmental Organization

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

Figure 2-1 Organizational Chart

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

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

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

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

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

3.1 Performance Expectations

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

Table 3-1 Performance Expectations

<table>
<thead>
<tr>
<th>1997-98 DPR Commitments</th>
<th>1999-2000 RPP Commitments</th>
<th>Strategic Priorities</th>
<th>Reported on pages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Timely provision of recommendations to decision makers that reflect public values, sound EA practices, and the principles of sustainable development.</td>
<td>1. EAs that are effective, efficient, timely, involve public participation and support the principles of sustainable development.</td>
<td>1.1 Be recognized as a credible advocate of high-quality EA.</td>
<td>15-19</td>
</tr>
<tr>
<td>• EA processes that are effective, efficient, consistent, predictable and of the highest standards.</td>
<td>2. EA approaches that are co-ordinated across government and harmonized with other jurisdictions.</td>
<td>1.2 Advance the science and practice of EA.</td>
<td>20-22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3 Learn from experience and share results.</td>
<td>22-24</td>
</tr>
<tr>
<td>• EA approaches that are co-ordinated across government and harmonized with other jurisdictions.</td>
<td>2.1 Clarify and improve EA processes with other jurisdictions and with federal partners.</td>
<td></td>
<td>25-26</td>
</tr>
<tr>
<td>• Level of federal authority compliance with the requirements of the Canadian Environmental Assessment Act.</td>
<td>2.2 Strengthen relationships with partners and stakeholders.</td>
<td></td>
<td>27-29</td>
</tr>
<tr>
<td>• Aboriginal EA regimes that maintain or exceed the standards and principles of the Act and are harmonized with existing EA processes.</td>
<td>2.3 Improve the Agency’s capacity to monitor, assess and foster compliance.</td>
<td></td>
<td>29-30</td>
</tr>
<tr>
<td>• Effective representation of Canada’s interests in international EA forums.</td>
<td>3. Consistent and predictable application of environmental considerations into federal decision making.</td>
<td>3.1 Address gaps in the application of the Act and other federal EA processes.</td>
<td>31-32</td>
</tr>
<tr>
<td>• EA processes that are effective, efficient, consistent, predictable and of the highest standards.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Consistent application of environmental considerations into federal policy and program proposals.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EA – environmental assessment
### 3.2 Performance Accomplishments

#### Figure 3-1 Resource Inputs

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Resources:</strong></td>
<td></td>
</tr>
<tr>
<td>Planned Spending (1998-99 RPP)</td>
<td>$8,140,000</td>
</tr>
<tr>
<td>Total Authorities (Public Accounts)</td>
<td>$9,905,991</td>
</tr>
<tr>
<td>1998-99 Actual Expenditures</td>
<td>$9,757,043</td>
</tr>
</tbody>
</table>

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

**Agency Performance Accomplishments**

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

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

The nature of EA requires performance data to be long-term. For most EAs, it may take a whole generation to collect and appreciate fully the impact and effect the assessment has had on the design and execution of a project. It takes equally as long to measure the impacts on the quality of life of affected citizens. The aim of EA is to identify, reduce or eliminate potentially adverse environmental effects. It can be difficult to quantify the success of an EA for a project when predicted adverse effects do not occur. In addition, many large-scale assessments vary so greatly in characteristics that the Agency is limited in the tools it can use to measure impacts in a consistent manner.
However, these factors have not deterred the Agency from undertaking a number of initiatives designed to improve its results measurement and reporting capacities. Several significant and innovative programs reached important milestones during 1998-99, including the Compliance Monitoring Framework (see page 29) and the Ongoing Monitoring Program (see page 22). These initiatives resulted in the creation of firm performance indicators and baseline data that will be used by departments and agencies to measure performance. This information will assist the Agency in evaluating successes and shortfalls, and in identifying options to improve the quality of EAs. Ultimately, this will have an impact on the quality of services provided to Canadians.

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

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

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

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

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

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

Key to advocating high-quality EA will be the Agency’s ability to promote the value of good EA and its long-term environmental benefits to decision makers.
1998-99 Results

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

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

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

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

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

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

In its efforts to improve consultative methods with First Nations, the Agency also undertook a pilot project with Environment Canada. This project, entitled “How to Effectively Consult with Aboriginal People,” has resulted in finding new and more effective ways to involve Aboriginal people in the development of policies and programs.
Communication Capacities: During the year, the Agency undertook to strengthen its communications capacity, thereby enhancing its ability to identify client information needs and respond to them. For example, considerably more information is now publicly available on the comprehensive study process. In addition, all products and services offered by the Agency are now available on its Web site. Ongoing user feedback will result in further modifications to the Web site in 1999-2000.

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

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

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

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

As a result of these comprehensives studies, the public had an opportunity to participate in the design of the project, and thus helped to reduce or mitigate any potential adverse environmental effects. These comprehensive studies also allowed decision makers to determine whether further public reviews were warranted, based on the likelihood of potential adverse environmental effects and the extent of public concern.
### Table 3-2 Comprehensive Studies Completed During 1998-99

<table>
<thead>
<tr>
<th>Comprehensive Study</th>
<th>Project Proponent</th>
<th>Lead Department Responsible for EA</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decommissioning of CFS Debert</td>
<td>Department of National Defence</td>
<td>Department of National Defence</td>
<td>Proposal to decommission a military base near Truro, Nova Scotia.</td>
</tr>
<tr>
<td>Alliance Pipeline</td>
<td>Alliance Pipeline Ltd.</td>
<td>National Energy Board</td>
<td>Proposal to construct and operate the Canadian portion of a major new natural gas pipeline from northeastern British Columbia to Chicago, Illinois.</td>
</tr>
<tr>
<td>Project Millennium – Oil Sands Mining Development</td>
<td>Suncor Energy Ltd.</td>
<td>Fisheries and Oceans Canada</td>
<td>Proposed expansion of oil sands operations in northern Alberta.</td>
</tr>
</tbody>
</table>

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

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

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

**Voisey’s Bay Mineral Development:** This review involved a proposal by Voisey’s Bay Nickel Company Ltd. to develop both open-pit and underground nickel mines plus a mine-mill near Nain, Labrador. The joint federal-provincial-Aboriginal
review panel conducted public hearings from April 1997 to December 1998 before submitting its final report to the federal and provincial governments and to Aboriginal groups in March 1999.

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

Benefits of a Review Panel – Voisey’s Bay Mineral Development

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

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

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

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

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

The end result was a review process that facilitated discussion among stakeholders. This is expected to improve the project design and lead to a more sustainable development in the region.
Strategic Priority 1.2  

Advance the science and practice of environmental assessment

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

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

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

1998-99 Results

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

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

Cumulative Effects Assessment: Every assessment conducted under the Act must include consideration of the combined effects on the environment from existing and potential activities and projects. This is referred to as cumulative effects assessment. Recognizing the need to advance and encourage this practice, the Agency completed the Cumulative Effects Assessment Practitioners Guide in 1998-99, in partnership with federal, provincial and academic communities. This was followed by a series of cross-country training sessions. Consequently, the federal government, consultants and project proponents are more aware of both the need to consider cumulative effects and appropriate methodologies. In time, this will result in higher quality EAs and more sustainable projects.
Alternative Dispute Resolution (ADR): In partnership with Justice Canada, the Agency developed and implemented an awareness and training program to enhance the ability of the federal government to resolve disputes in the EA process. The awareness and training program is designed to help federal EA managers recognize the opportunities for, and benefits of ADR and how ADR can improve the quality of an assessment.

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

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

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

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

National EA Standards: The Agency continued to develop a national standard for environmental assessment in partnership with the Canadian Standards Association. During 1998-99, a draft standard applicable to all types and sizes of projects under any jurisdiction was completed. This was a considerable accomplishment, given that the committee completing the draft represented a vast and diverse array of interests, such as industry and environmental non-government organizations (see the Agency’s 1997-98 Performance Report for a list of committee members).
Initial stakeholder consultation sessions were also completed on the draft. Preliminary feedback indicated the standard could be an effective tool for improving environmental management practices not just for the federal government, but for all who practise EA.

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

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

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

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

**1998-99 Results**

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

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

- helped various stakeholders realize efficiencies while coordinating regulatory requirements, therefore contributing to better project planning;
- improved the quality of assessments in general, through guidelines and other guidance materials; and
- advanced sustainable development objectives by promoting measures to minimize or eliminate adverse environmental impacts associated with projects.
The OMP also demonstrated that the economic benefits of EA were greater than its costs. Three examples of how EA contributed to economic benefits follow.

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

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

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

<table>
<thead>
<tr>
<th>Percentage of Project Capital Costs</th>
<th>5%</th>
<th>4%</th>
<th>3%</th>
<th>2%</th>
<th>1%</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td>3.9%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Comprehensive Study</td>
<td>2.4%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Review Panel</td>
<td>1.1%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

(average costs in brackets, $000's)
As a result of the OMP, the federal government now has a clearer understanding of the factors driving the benefits and costs of the Act. With this information, the Agency can work with stakeholders to reduce costs and increase the quality of EAs while maintaining and enhancing benefits. The OMP also identified areas for improvement, which will facilitate consultations during the Five Year Review of the Act. As well, the OMP contributed to improved compliance by providing the Agency with an effective tool to promote the benefits of EA.

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

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

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

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

The Agency also improved its Web site to allow easier public access to information and increased the volume of content available. During 1998-99, the Agency recorded more than 94,300 user sessions, slightly higher than the year before. As a result of client feedback, further modifications will be made to the Web site. These enhancements should foster additional information exchanges in a more meaningful and timely manner.
RESULT COMMITMENT NO. 2 TO CANADIANS:

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

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

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

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

1998–99 Results

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

The first Agreement, signed in 1997–98 between British Columbia and Canada, has resulted in increased co-operation. In September 1998, the Agency and the British Columbia Environmental Assessment Office co-established and chaired a working committee to assist in the implementation of the Agreement. The Canada-British Columbia Agreement has also been successful in reducing duplication and overlap between the federal and provincial EA processes. Since the Agreement was signed, six co-operative EAs involving both jurisdictions have been completed, and another nine co-operative arrangements are under way.
**Aboriginal Involvement in EA:** During the year, the Agency worked closely with Aboriginal groups in developing tools to assist First Nation communities to achieve environmental integrity and sustainable development goals while respecting cultural perspectives and self-determination objectives. The Agency also collaborated with First Nations and Indian and Northern Affairs Canada to develop EA regimes under Aboriginal systems of governance that can be harmonized with federal EA processes. This involved the ongoing negotiation of EA considerations into over 60 comprehensive land-claim and self-government agreements across Canada. The result was the successful inclusion of EA provisions in several agreements with First Nation communities, such as the Labrador Inuit Association (LIA) and Nisga’a Tribal Council in British Columbia.

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

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

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

During 1998-99, all three countries made progress in defining obligations for a proposed agreement, including provisions for notification regarding projects with potential transboundary effects, sharing of information and identification of opportunities for assessment of project impacts and public participation. However, difficulties arose due to the wide disparity of environmental assessment systems in each country. As a result, the transboundary agreement has not been signed. Each country has agreed to continue to discuss the intended scope of application in order to find common ground on which the proposed agreement could eventually be applied.
Strategic Priority 2.2  
**Strengthen relationships with partners and stakeholders**

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

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

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

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

**1998-99 Results**

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

Regional offices also assisted in developing and delivering training sessions in 1998-99 (see page 30). As a result of their strategic location and knowledge of regional issues, clients received training and guidance materials that were adapted to their specific needs.
These offices have also been instrumental in enhancing national consistency when providing individual project assistance to federal departments. For example, the Agency's Prairie regional office co-ordinated 125 projects from Manitoba and Saskatchewan, with 27 (22 percent) of these projects subject to both federal and provincial EA processes. By co-ordinating the review of the project descriptions, earlier identification of federal requirements was facilitated and duplication of EA activities between the province and the federal government was eliminated. This resulted not only in cost savings to both levels of government, but also in increased consistency in conducting the assessments.

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

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

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

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

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

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

The Agency also met with the EA Caucus of the Canadian Environmental Network. Annual meetings with this not-for-profit environmental organization provide an opportunity for the Agency and the Caucus to share information on issues and developments, and for the Agency to solicit advice on its key activities.
The Agency also expanded its networks to include Aboriginal and industrial groups. For example, the Agency met with the Assembly of First Nations on several occasions during 1998-99 to discuss and advance Aboriginal interests and issues regarding the development of policies and programs. The Agency also met, exchanged information and provided information and training to various industry associations.

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

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

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

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

**1998-99 Results**

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

For the first time, the compliance-monitoring framework has provided the government with a tool to identify the cause of problems associated with implementing the Act. As a result, federal departments and agencies have begun to change their internal procedures to address issues identified by the framework.
and to report on results. The framework is also allowing the Agency to identify and respond to training and guidance needs, particularly at regional levels, to improve the consistency and quality of EAs.

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

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

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

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

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

In addition, the Agency delivered 25 training sessions nation-wide to more than 500 participants on subjects ranging from general orientation to the Act, to more complex sessions on how to conduct comprehensive studies. As a result of these training sessions, federal, provincial, industry and environmental stakeholders have an increased awareness of the Act and of their responsibilities with respect to EA.
RESULT COMMITMENT NO.3 TO CANADIANS:

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

Strategic Priority 3.1 Address gaps in the application of the Act and other federal environmental assessment processes

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

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

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

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

1998-99 Results

Regulatory Development: During the year, the Agency continued its long-term program to broaden the range of federal activities assessed under the Act. In collaboration with Transport Canada, this involved the development of EA regimes for Canada Port Authorities and for local Airport Authorities operating on federal lands (see page 36). Since both initiatives were still in the developmental stage by the end of 1998-99, long-term direct impacts are not available. However, these efforts did result in providing a benchmark for the development of similar regimes to encompass additional federal Crown corporations in the future.
The Agency also consulted extensively in developing amendments to existing enabling regulations under the Act. These amendments will help the government focus more attention on projects with potentially adverse effects and less emphasis on projects with little impact on the environment or society. Once these regulatory initiatives are implemented, it will result in a more consistent application of the Act, enhanced federal accountability to Canadians, and increased transparency in the environmental management of projects.

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

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

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

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

4.1 Year 2000 Readiness

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Purpose of Legislative or Regulatory Initiative</th>
<th>Expected Results</th>
<th>Performance Measurement Criteria</th>
<th>Results Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Co-ordination Regulations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Set out a process to be followed when several federal departments are required to conduct a federal EA for the same project. This will ensure a predictable and timely assessment process and will serve as a framework for conducting a single federal EA for each project subject to the *Canadian Environmental Assessment Act*. | **Short term**  
Improvement in the co-ordination of all federal departments involved in the same EA.  
Facilitation of project assessment harmonization agreements with provinces where requirements exist. | **Short term**  
Level of compliance with regulations by other federal departments.  
Year-over-year decrease in the amount of time required to determine nature of federal involvement in an EA. | **Short term**  
Federal departments are identifying their involvement requirements earlier and co-operation among departments on matters such as scoping has increased. |
|                                                  |                  |                                  |                  |
|                                                  | **Long term**    |                                  |                  |
|                                                  | Improved timeliness and cost efficiency of the federal EA process. | **Long term**  
Decrease in the number of projects subject to more than one federal EA or duplication of effort. | **Long term**  
Independent study indicated that expected results are only partially being achieved:  
i) departments are applying regulations on an uneven basis;  
ii) anticipated improvement in predictability and timeliness of the EA process as a result of regulations appears minimal; and  
iii) regulations have been successful in ensuring only one assessment per project. |
### 4.4 Statistical Summary of Environmental Assessments

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

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

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

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

5.1 Financial Performance Overview

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

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

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

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

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

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

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

- **Respondable Revenues** – previously referred to as Revenues Credited to the Vote, these are revenues that can be used by the Agency to offset program expenditures. An example would include cost recovery for review panels.

- **Non-Respondable Revenues** – previously referred to as Revenues Credited to the Consolidated Revenue Fund (CRF), these are revenues that are collected on behalf of the government and cannot be used by the Agency to offset program expenditures.

### Table 5-1 Financial Requirements by Authority

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

**Note:** The variance between Total Authorities and Planned Spending of approximately $1.7 million is due to the following circumstances: contingency to fund ongoing review panels ($1,000,000); new resources to fund non cost-recoverable review panels ($145,000); carry-over of operating budget from 1997-98 ($573,000).
### Table 5-2  Comparison of Total Planned Spending to Actual Spending

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

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

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

<table>
<thead>
<tr>
<th>(thousands of dollars)</th>
<th>1998-99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual 1996-97</td>
</tr>
<tr>
<td>Canadian Environmental Assessment Agency</td>
<td>10,213.9</td>
</tr>
</tbody>
</table>
### Table 5-4 Respendable Revenues

<table>
<thead>
<tr>
<th></th>
<th>1998-99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>1996-97</td>
</tr>
<tr>
<td>Canadian Environmental Assessment Agency</td>
<td>260.4</td>
</tr>
<tr>
<td><strong>Total Respendable Revenues</strong></td>
<td><strong>260.4</strong></td>
</tr>
</tbody>
</table>

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

### Table 5-5 Non-Respendable Revenues

<table>
<thead>
<tr>
<th></th>
<th>1998-99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>1996-97</td>
</tr>
<tr>
<td>Canadian Environmental Assessment Agency</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Non-Respendable Revenues</strong></td>
<td><strong>–</strong></td>
</tr>
</tbody>
</table>

### Table 5-6 Statutory Payments

<table>
<thead>
<tr>
<th></th>
<th>1998-99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>1996-97</td>
</tr>
<tr>
<td>Canadian Environmental Assessment Agency</td>
<td>598.0</td>
</tr>
<tr>
<td><strong>Total Statutory Payments</strong></td>
<td><strong>598.0</strong></td>
</tr>
</tbody>
</table>

**Note:** The only statutory payment applicable to the Agency is for employee benefit plans.
### Table 5-7  Transfer Payments

<table>
<thead>
<tr>
<th>Contributions</th>
<th>1996-97</th>
<th>1997-98</th>
<th>Planned Spending</th>
<th>Total Authorities</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to the Province of Quebec – James Bay and Northern Quebec Agreement</td>
<td>95.0</td>
<td>95.0</td>
<td>95.0</td>
<td>95.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Contributions to support the research, development and promotion of environmental assessment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Contributions to assist public participation in environmental assessment reviews(^1)</td>
<td>312.9</td>
<td>411.1</td>
<td>–</td>
<td>111.3</td>
<td>111.3</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>407.9</td>
<td>506.1</td>
<td>95.0</td>
<td>212.3</td>
<td>212.3</td>
</tr>
<tr>
<td><strong>Total Transfer Payments</strong></td>
<td>407.9</td>
<td>506.1</td>
<td>95.0</td>
<td>212.3</td>
<td>212.3</td>
</tr>
</tbody>
</table>

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

### Table 5-8  Capital Spending

<table>
<thead>
<tr>
<th>(thousands of dollars)</th>
<th>1998-99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Canadian Environmental Assessment Agency</td>
<td>144.2</td>
</tr>
<tr>
<td><strong>Total Capital Spending</strong></td>
<td>144.2</td>
</tr>
</tbody>
</table>

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

6.1 Description of the Federal Environmental Assessment Process

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

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

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

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

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

If environmental effects of a project are uncertain or potentially significant, or if public concern warrants, a review by an independent EA panel or mediator may be required (none were initiated in 1998-99, although one, Voisey’s Bay mineral development, was completed – see page 18). The Minister of the Environment appoints both review panels and mediators, and the Agency provides administrative and advisory support services throughout the entire process.
The flowchart below summarizes the federal EA process administered by the Agency. It is intended to be an overview only; more detailed and exact responsibilities and procedures are available from the Agency’s Communications Office or Web site.

Responsible Authority determines the type of assessment required based on description and scope of the project.

**Screening:**
- assess environmental effects;
- based on self-assessment principle, meaning the RA is responsible for the conduct of the EA and related decisions;
- optional public consultation;
- Agency provides procedural advice.

**Comprehensive Study:**
- considers additional factors beyond a screening (i.e., follow-up, purpose of project, sustainability of renewable resources);
- mandatory public consultation;
- Agency reviews report and provides recommendations to the Minister of the Environment who determines significance of environmental effects.

Determination by Responsible Authority

**Project Proceeds**
(effects not likely significant)

**Project Does Not Proceed**
(effects likely significant and not justifiable)

Further Assessment Required
(effects are significant or unknown, or there is considerable public concern)

Minister of the Environment appoints Panel or Mediator and sets terms of reference

**Review Panel:**
- public hearing mandatory;
- may be conducted jointly with another jurisdiction;
- Agency provides administrative support.

**Mediation:**
- participation of all interested parties;
- Agency provides administrative support.

Panel or Mediator submits final report with recommendations to Ministers. The federal government responds to the report in a manner approved by Governor in Council.

Project proceeds with or without conditions.

Project does not proceed.
6.2 Contacts for Further Information and Agency Web Site

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

Internet Address:
http://www.ceaa.gc.ca

Federal Environmental Assessment Index
Web site:
http://www.ceaa.gc.ca/registry/registry_e.htm
E-mail: index@ceaa.gc.ca
6.3 Legislation Administered and Associated Regulations

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

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

*Law List Regulations* ............................................................ SOR/94-636 (October 7, 1994), as amended

*Comprehensive Study List Regulations* .......................... SOR/94-638 (October 7, 1994)

*Inclusion List Regulations* .................................................... SOR/94-637 (October 7, 1994)

*Exclusion List Regulations* ................................................. SOR/94-639 (October 7, 1994)

*Federal Authorities Regulations* ....................................... SOR/96-280 (May 28, 1996)

*Projects Outside Canada Environmental Assessment Regulations* .................................. SOR/96-491 (November 7, 1996)

*Regulations Respecting the Co-ordination by Federal Authorities of Environmental Assessment Procedures and Requirements* .................................. SOR/97-181 (April 8, 1997)


*Canada Port Authority Environmental Assessment Regulations* .................................. SOR/99-318 (July 28, 1999)

6.4 Other Agency Statutory Reports and Information

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

- Cumulative Effects Assessment, Practitioners Guide, February 1999
- Federal Environmental Assessment Index (available only on the Agency’s Web site)
- Guide to Information Requirements for Federal Environmental Assessment of Mining Projects in Canada (draft only)
6.5 Topical Index

A
Aboriginal Land-Claim and Self-Government Negotiations ................. 9, 11, 25-26, 34, 39
Alternative Dispute Resolution ............................................. 21, 35
Airport Authorities ................................................................. 31, 34, 36

C
Cabinet Directive on Strategic Environmental Assessment ............... 7, 12, 32, 34
Canada-British Columbia Agreement for Environmental Assessment Co-operation .......................................................... 25, 27
Canada Port Authorities ......................................................... 31, 34, 36
Canadian Council of Ministers of the Environment .......................... 11
Canadian Environmental Network ............................................. 28
Canadian Standards Association .............................................. 9, 21, 35
Class Screenings ..................................................................... 21, 35, 39
Climate Change ....................................................................... 11, 32, 34
Commissioner of the Environment and Sustainable Development ....... 10, 22, 29, 48
Communications Office ............................................................ 47
Compliance Monitoring Framework ............................................ 1, 9, 15-16, 29, 34, 39
Comprehensive Studies ............................................................. 45-46
Crown Corporations ................................................................. 31
Cumulative Environmental Effects ............................................. 5, 20, 30
Cumulative Effects Assessment Practitioners Guide ......................... 1, 20, 48

E
Environmental Management System ............................................ 22, 35

F
Federal Co-ordination Regulations ............................................. 37
Federal Environmental Assessment Index .................................... 24, 33, 39, 47-48
Federal Environmental Assessment Process (overview) .................... 45-46
Financial Performance Overview ............................................. 39
Five Year Review ..................................................................... 5, 11, 15, 24, 28, 30, 32, 39

H
Harmonization ....................................................................... 7-8, 11, 25, 34, 37

J
James Bay and Northern Quebec Agreement ................................. 8, 39

K
Key Results Commitments ...................................................... 3, 13

M
Mission Statement .................................................................. 7

SECTION VI – Other Information  49
<table>
<thead>
<tr>
<th>Symbol</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>National Environmental Assessment Standard</td>
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<td>North American Agreement on Environmental Cooperation</td>
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<td>North Eastern Quebec Agreement</td>
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<td>No-Waste Program</td>
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<tr>
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<td>Ongoing Monitoring Program</td>
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<tr>
<td></td>
<td>Organizational Chart</td>
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<tr>
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<td>Participant Funding Program</td>
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<td>Project-Related Follow-up</td>
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<td>R</td>
<td>Regional Offices</td>
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<tr>
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<td>Voisey’s Bay Mineral Development Review Panel</td>
</tr>
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<td>Vision Statement</td>
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