

# FEDERAL SUSTAINABILITY FOR FUTURE GENERATIONS – A REPORT FOLLOWING AN ASSESSMENT OF THE FEDERAL SUSTAINABLE DEVELOPMENT ACT

## Report of the Standing Committee on Environment and Sustainable Development

Deborah Schulte Chair

JUNE 2016
42<sup>nd</sup> PARLIAMENT, 1<sup>st</sup> SESSION

Published under the authority of the Speaker of the House of Commons

#### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: http://www.parl.gc.ca

# FEDERAL SUSTAINABILITY FOR FUTURE GENERATIONS – A REPORT FOLLOWING AN ASSESSMENT OF THE FEDERAL SUSTAINABLE DEVELOPMENT ACT

### Report of the Standing Committee on Environment and Sustainable Development

Deborah Schulte Chair

JUNE 2016
42<sup>nd</sup> PARLIAMENT, 1<sup>st</sup> SESSION

## STANDING COMMITTEE ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

#### **CHAIR**

**Deborah Schulte** 

#### **VICE-CHAIRS**

Jim Eglinski Nathan Cullen

#### **MEMBERS**

John Aldag Darren Fisher

William Amos Mark Gerretsen

Mike Bossio Martin Shields

Hon. Ed Fast

#### OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED

Robert Sopuck

#### **CLERK OF THE COMMITTEE**

Cynara Corbin

#### LIBRARY OF PARLIAMENT

#### **Parliamentary Information and Research Service**

Penny Becklumb, Analyst Tim Williams, Analyst

## THE STANDING COMMITTEE ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

has the honour to present its

#### **SECOND REPORT**

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the *Federal Sustainable Development Act* and has agreed to report the following:

## **TABLE OF CONTENTS**

INTRODUCTION	1
A. The Federal Sustainable Development Act and Strategy	2
B. The Committee's Study	4
THE COMMITTEE'S COMMENTS ON THE DRAFT 2016–2019 FEDERAL SUSTAINABLE DEVELOPMENT STRATEGY	4
IMPROVING THE STRATEGY BY IMPROVING THE ACT	5
A. Starting with the Purpose of the Act	5
Expanding the Act to Encompass the Three Pillars of Sustainable  Development	6
2. Repurposing the Act to Focus on Strategy	8
B. Taking a Whole-of-Government Approach	9
1. Starting at the Top	10
2. Incorporating Sustainable Development Principles	12
3. Encompassing All of Government	13
C. Setting Goals in the Act	15
D. Ensuring Targets Cover the Short, Medium and Long Term and are SMART	16
E. Ensuring Accountability and Enforceability	18
F. Starting the Process	21
LOOKING TOWARDS THE FUTURE	22
A. An Advocate for Future Generations	22
B. Engaging With Canadians	24
CONCLUSION	26
LIST OF RECOMMENDATIONS	27
APPENDIX A: LIST OF WITNESSES	31
APPENDIX B: LIST OF BRIEFS	33
REQUEST FOR GOVERNMENT RESPONSE	35

# FEDERAL SUSTAINABILITY FOR FUTURE GENERATIONS – A REPORT FOLLOWING AN ASSESSMENT OF THE FEDERAL SUSTAINABLE DEVELOPMENT ACT

#### INTRODUCTION

On September 25, 2015, world leaders gathered in New York and formally agreed "to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path." The agreement that they signed, *Transforming our world: the 2030 Agenda for Sustainable Development*, includes 17 goals to guide development over the next 15 years.

Barely two months later, another historic milestone was reached at the Paris Conference of the United Nations Framework Convention on Climate Change, where Canada, along with 194 other countries, reached a universal agreement to address climate change.

The year 2015 was pivotal. Ambitious goals have been set – to rid the world of poverty and hunger, to achieve gender equality, to combat climate change, to promote inclusive and sustainable economic growth, to ensure sustainable consumption and production, to halt biodiversity loss as well as numerous other goals – for putting the planet on course for a sustainable future. This is the world we want.

Though the concept of sustainable development has gained momentum since it was first defined in 1987 in the Brundtland Report,<sup>2</sup> it remains obscure for many people. Sustainable development may be best understood as development that integrates economic, social and environmental factors in order to achieve well-being both for people today and for future generations, with a particular focus on the needs of the poor.

In Canada, sustainable development became an official, government-wide objective in 1995 when Parliament enacted amendments to the *Auditor General Act*. The amendments imposed a new requirement on large federal departments to prepare and table departmental sustainable development strategies and to update those strategies every three years. The amendments also created the role of Commissioner of the Environment and Sustainable Development and tasked the Commissioner with monitoring and reporting on the extent to which departments were implementing their strategies.

United Nations General Assembly, <u>Resolution adopted by the General Assembly on 25 September 2015,</u> <u>Transforming our world: the 2030 Agenda for Sustainable Development.</u>

World Commission on Environment and Development, <u>Our Common Future</u> (Brundtland Report), March 1987, p. 41. The report states: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Soon after this new system was established, a major weakness became apparent. The Commissioner frequently commented that, in the absence of an over-arching federal sustainable development strategy, making sense of the departmental strategies together was difficult. It was like trying to put together pieces of a jigsaw puzzle without the benefit of the picture on the box.<sup>3</sup>

#### A. The Federal Sustainable Development Act and Strategy

The Commissioner's call for a federal sustainable development strategy was answered in 2008 when Parliament enacted the *Federal Sustainable Development Act*. The Act had been introduced the year before as a private member's bill. In testimony before the Committee, the sponsor noted that the final version of the bill was the result of a great deal of cooperation between the non-governmental organization that first authored a draft version of the bill, the Minister of the Environment at the time, the other opposition parties and the Commissioner's office. As a result of this cooperation, as well as a procedural constraint on the ability of a private member's bill to authorize new spending, the Committee amended the bill significantly. The final version of the bill that Parliament enacted did not have the same scope as the original version.

The Federal Sustainable Development Act requires the Minister of the Environment to prepare a Federal Sustainable Development Strategy (FSDS) every three years. Before each successive FSDS is finalized, the appropriate parliamentary committees, the public and the Commissioner are given a 120-day period to review and comment on the draft strategy.

Within a year of a new FSDS being finalized, every large federal department is required to prepare a departmental sustainable development strategy that complies with and contributes to the overarching FSDS. However, the Minister of the Environment is not responsible for reviewing the departmental sustainable development strategies or for ensuring that the departments are each contributing to the overall federal effort. Rather, a Sustainable Development Office within the Department of the Environment monitors progress on implementing the FSDS. At least once every three years, the office produces a progress report, which the Commissioner examines in order to assess the fairness of the information contained within it. The Commissioner also continues to report annually on the

For example, see House of Commons Standing Committee on Environment and Sustainable Development [ENVI], *Evidence*, 1<sup>st</sup> Session, 38<sup>th</sup> Parliament, 7 December 2004 (Joanne Gélinas, Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada).

Bill C-474: An Act to require the development and implementation of a National Sustainable Development Strategy, the reporting of progress against a standard set of environmental indicators and the appointment of an independent Commissioner of the Environment and Sustainable Development accountable to Parliament, and to adopt specific goals with respect to sustainable development in Canada, and to make consequential amendments to another Act, 2<sup>nd</sup> Session, 39<sup>th</sup> Parliament (first reading version, 13 November 2007).

<sup>5</sup> ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 22 March 2016 (John Godfrey, as an Individual).

Bill C-474, An Act to require the development and implementation of a Federal Sustainable Development Strategy and the development of goals and targets with respect to sustainable development in Canada, and to make consequential amendments to another Act, 2<sup>nd</sup> Session, 39<sup>th</sup> Parliament (version as amended by the Standing Committee on Environment and Sustainable Development, 4 June 2008).

departments' implementation of their own departmental sustainable development strategies, but neither the Commissioner nor any other body holds legal enforcement powers to ensure correction of any problems in the various departments' contributions to the FSDS.

The Federal Sustainable Development Act has now been in force for eight years. The first two cycles of the FSDS covered the periods 2010–2013 and 2013–2016. The next iteration of the FSDS, covering the period 2016–2019, is in draft form, pending comments prior to finalization.

Despite the time elapsed and experience gained, the FSDS is not living up to expectations. Non-governmental organizations have referred to the FSDS as an "environmental-clearing house ... less useful as a strategic forward-looking [sustainable development] document." After reviewing the last draft FSDS covering the period 2013–2016, the Commissioner concluded that only "6 of its 34 targets (18 percent) met all of the criteria and are sufficiently clear and measurable to assess and report on progress." The Commissioner's last examination of a progress report of the FSDS concluded that "while the Progress Report provides a reader with a sense of progress, sufficient information was not included to provide a fair presentation of the progress being made by the government in implementing the 2010–2013 FSDS."

The Commissioner has also been critical of the implementation of the departmental sustainable development strategies. As part of these strategies, many departments and agencies have made specific commitments related to the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals, which is a separate authority. Under this cabinet directive, departments and agencies are required to conduct an environmental assessment of a policy, plan or program proposal that is submitted to a minister or to Cabinet for approval in a case where implementation of the proposal may result in important environmental effects, either positive or negative. In essence, a strategic environmental assessment requires departments and agencies to critically consider policy, plan and program proposals through a green lens. Since 2010, departments and agencies have been required to consider FSDS goals and targets when undertaking strategic environmental assessments. In her most recent report, the Commissioner noted a poor record of departments not applying the directive.

10 Canadian Environmental Assessment Agency, <u>The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals.</u>

<sup>7</sup> ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013 (David Sawyer, Vice-President, Climate, Energy and Partnerships, International Institute for Sustainable Development).

Office of the Auditor General of Canada, "<u>Chapter 8–Federal and Departmental Sustainable Development Strategies</u>," 2013 Fall Report of the Commissioner of the Environment and Sustainable Development.

<sup>9</sup> Ibid.

Office of the Auditor General of Canada, "Report 3-Departmental Progress in Implementing Sustainable Development Strategies," 2015 Fall Reports of the Commissioner of the Environment and Sustainable Development.

#### B. The Committee's Study

Following the presentation of the Commissioner's most recent report, the Committee unanimously passed a motion to assess the *Federal Sustainable Development Act*, with a view to improving the effectiveness and implementation of this legislation.<sup>12</sup> The following day, as required under section 9(3) of the Act, the Minister of Environment and Climate Change provided a copy of the draft FSDS covering the period 2016–2019, along with a letter to the Committee welcoming its comments on the draft by June 24, 2016.

Over the course of three meetings, the Committee heard from 17 witnesses who were largely in agreement regarding changes that need to be made to the Act that will ultimately result in a more effective FSDS. The Committee is pleased to present its report, which includes a section with comments about the draft FSDS in response to the Minister's letter.

## THE COMMITTEE'S COMMENTS ON THE DRAFT 2016–2019 FEDERAL SUSTAINABLE DEVELOPMENT STRATEGY

From the outset of the study, it was apparent that problems with the FSDS stem from its enabling legislation, the *Federal Sustainable Development Act.* Witnesses had little of substance to say about the draft FSDS per se; for the most part, their comments related to the Act. The few comments about the draft FSDS that witnesses did make were predominantly negative.

One witness described the draft FSDS as a strategy in name only. In his view, a strategy is "the plan or road map to get us from here to there," but the draft FSDS is simply an overview of previously announced targets and programs.<sup>13</sup>

Several comments about the draft FSDS related to its goals, targets and implementation strategies for meeting the targets, which are required to be included in the FSDS under section 9(2) of the Act. A witness told the Committee:

We reviewed all of the federal policies, including the 2016 proposed sustainable development strategy, and we could not find one example of a strategy area where analysis was done to show how a strategy would effectively meet the targets. Even in the high-priority area of climate change, we have lists of actions and initiatives, but there is no analysis anywhere that documents how these various actions will achieve the desired greenhouse gas reduction targets.<sup>14</sup>

<sup>12</sup> ENVI, *Minutes of Proceedings*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 25 February 2016.

ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 22 March 2016 (Scott Vaughan, President and Chief Executive Officer, International Institute for Sustainable Development).

ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 12 April 2016 (Thomas Gunton, Professor, Director of Resource and Environmental Planning, School of Resource and Environmental Management, Simon Fraser University, as an Individual).

Another witness described some of the strategies to meet the targets as "a repetition of generic statements." He noted numerous instances of identical paragraphs cut and pasted throughout the document. 16

The targets in the draft FSDS were also the subject of scrutiny. As stated in the draft FSDS, "[t]o the extent possible, targets are intended to [m]eet the SMART criteria": specific, measurable, achievable, relevant and time-bound.<sup>17</sup> The Commissioner's report on the last draft FSDS concluded that only 18% of the targets met all the SMART criteria.<sup>18</sup> While the Commissioner was not prepared to comment on the current draft FSDS pending completion of her review, another witness who reviewed the draft concluded that very few of the targets included in the draft FSDS meet the SMART criteria.<sup>19</sup>

The FSDS is an iterative process. In order to keep improving it over time, the FSDS is revisited and updated every three years.<sup>20</sup> However, the FSDS does not seem to be improving as the years go by. One witness described the current draft as "a disaster."<sup>21</sup>

Based on the testimony given, the Committee has concluded that the problems with the FSDS are rooted in the Act. Indeed, the problems with the Act are as fundamental as its stated objective.<sup>22</sup>

If Canada is to take the bold and transformative steps that the government committed to in 2015 to put us on a path to sustainable development – including meeting our climate change commitments – it is clear that a better FSDS is required. This will require fundamental amendments to the *Federal Sustainable Development Act*.

#### IMPROVING THE STRATEGY BY IMPROVING THE ACT

#### A. Starting with the Purpose of the Act

Witnesses suggested that the most fundamental problems with the FSDS can be traced back to the purpose of the *Federal Sustainable Development Act*, which is:

Government of Canada, "<u>Planning for a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2016–2019</u>," Consultation Draft, Annex 1, p. 58.

ENVI, *Evidence*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 14 April 2016 (David Boyd, Adjunct Professor, Resource and Environmental Management, Simon Fraser University, as an Individual).

<sup>16</sup> Ibid.

Office of the Auditor General of Canada, "<u>Chapter 8–Federal and Departmental Sustainable Development Strategies</u>," 2013 Fall Report of the Commissioner of the Environment and Sustainable Development.

<sup>19</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>20</sup> See ENVI, *Evidence*, 22 March 2016 (Godfrey).

<sup>21</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>22</sup> ENVI, Evidence, 22 March 2016 (Vaughan).

To provide the legal framework for developing and implementing a Federal Sustainable Development Strategy that will make environmental decision-making more transparent and accountable to Parliament.<sup>23</sup>

The Act defines sustainable development in the classic sense of the Bruntland report as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."<sup>24</sup> It goes on to state that:

The Government of Canada accepts the basic principle that sustainable development is based on an ecologically efficient use of natural, social and economic resources and acknowledges the need to integrate environmental, economic and social factors in the making of all decisions by government.<sup>25</sup>

According to witnesses, the purpose is lacking in two ways. First, unlike the definition of sustainable development, it focuses on environmental decision making and ignores the social and economic pillars of sustainable development. Second, the purpose is about transparency and accountability for environmental decision making rather than about advancing sustainable development.

## 1. Expanding the Act to Encompass the Three Pillars of Sustainable Development

Several witnesses noted that the definition of sustainable development and the "basic principle" articulated in the Act are inconsistent with the Act's purpose, which is focussed on environment alone. The general trend of reducing sustainable development to environmental protection was noted in testimony. This has a number of negative consequences.

The most direct consequence is that the FSDS focuses significantly more on the environment than on economic and social aspects of sustainable development. The indirect consequence is that the public is confused about the meaning of sustainable development. As one witness stated:

Sustainable development has been siloed into a purely environmental box. It is no longer seen to transcend disciplines nor to balance with economic priorities; nor does it offer the radical framing of change that is required if we are to meet some complex and unprecedented challenges of our time. Furthermore, to the general public the term sustainable development holds little resonance.<sup>27</sup>

25 Ibid., s. 5.

<sup>23</sup> Federal Sustainable Development Act, S.C. 2008, c. 33, s. 3.

<sup>24</sup> Ibid., s. 2.

See ENVI, *Evidence*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 22 March 2016 (Julie Gelfand, Commissioner of the Environment and Sustainable Development).

<sup>27</sup> ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 12 April 2016 (Catherine Pearce, Future Justice Director, World Future Council).

This "siloing" can have consequences beyond the term "sustainable development" simply lacking resonance. Omitting any of the pillars may lead to "the loss of public confidence and trust, or the erosion of social licence."28

This issue led the Welsh government to name its flagship Act to implement sustainable development The Well-being of Future Generations Act "in order for the act to be better understood, more engaging, and therefore better implemented by all."29 In Wales:

By framing the legislation in terms of well-being, it incorporates health, free time, public space, equality, cultural heritage, and many other integral elements that are often overlooked. It engages across the policy-making sphere. 30

In Germany, the population understands that sustainable development is not just about the environment. In that country, sustainability is understood to encompass energy, resources, housing problems, gender, food, health, demography and inclusion. It is also about budget issues, tax breaks and the financial resources devoted to innovation and research and development.<sup>31</sup>

A witness noted the experiences of other countries as well, such as Norway and Sweden, which demonstrate that a sustainable development strategy must integrate all three pillars to succeed.<sup>32</sup>

In Canada, it appears that sustainable development is advanced in a more ad hoc manner. The Committee heard that:

Under the oversight of the agenda, results, and communications committee of cabinet, ministers and the departments supporting them will be accountable for demonstrating progress made against key government priorities. This process will help track progress under the government's clean growth agenda specifically, but appropriate linkages will be made with other priorities to ensure that policies are not working at cross-purposes and that the government's broader agenda is one that supports social, economic, and environmental objectives in an integrated manner.<sup>33</sup>

The Committee acknowledges these efforts; however, there is little doubt that they are not inspired by the Federal Sustainable Development Act or the FSDS. This is a serious missed opportunity for the Act to guide truly integrated policy making.

As the Commissioner herself stated:

ENVI, Evidence, 22 March 2016 (Vaughan). 28

<sup>29</sup> ENVI, Evidence, 12 April 2016 (Pearce).

<sup>30</sup> lbid.

ENVI, *Evidence*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 12 April 2016 (Günther Bachmann, Secretary General, German Council for Sustainable Development (RNE)).

<sup>32</sup> David Boyd, written brief, 14 April 2016, p. 2.

ENVI, *Evidence*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 14 April 2016 (Les Linklater, Deputy Secretary to the Cabinet, 33 Privy Council Office).

The committee may wish to consider whether the purpose of the *Federal Sustainable Development Act* should be expanded to explicitly include [the economy, society, the environment, and the well-being of future generations].<sup>34</sup>

From the testimony, it was clear that the purpose of the Act should be amended to explicitly encompass all three pillars of sustainable development.

#### 2. Repurposing the Act to Focus on Strategy

The other issue regarding the purpose of the *Federal Sustainable Development Act* is that it does not call for a sustainable development strategy.

As noted previously, a strategy is a plan, often flexible, for how to move away from the status quo towards a more desirable outcome. According to the 2030 Agenda for Sustainable Development, the status quo is a world with challenges such as poverty, inequality, global health threats, terrorism and related humanitarian crises, as well as natural resource depletion, biodiversity loss and environmental degradation.<sup>35</sup>

The 17 UN Sustainable Development Goals describe the desired destination that the world's leaders have agreed upon; they describe the "World We Want." Canada's Federal Sustainable Development Act should be the vehicle for developing Canada's plan to appropriately contribute to meeting these goals at home and abroad.

However, because the purpose of the Act currently is to make environmental decision making more transparent and accountable, the FSDS is not a plan or a strategy, but is more a reporting mechanism for established programs.<sup>36</sup> As one witness pointed out, the FSDS lacks analysis showing how targets – including greenhouse gas reduction targets – will be met.<sup>37</sup>

If the FSDS is to chart a path forward to a desired future rather than serve simply as an accountability mechanism, then the purpose of the *Federal Sustainable Development Act* needs to be amended.

#### Recommendation 1

The Committee recommends that the Government of Canada introduce amendments to the purpose provision of the *Federal Sustainable Development Act*. The new purpose should be to require the Government to develop a strategy to lead Canada on a path towards sustainable development and contribute to meeting the United Nations Sustainable Development Goals. The purpose should clarify that

<sup>34</sup> ENVI, Evidence, 22 March 2016 (Gelfand).

United Nations, "<u>Transforming our World: The 2030 Agenda for Sustainable Development</u>," Sustainable Development Knowledge Platform, para. 14.

<sup>36</sup> ENVI, *Evidence*, 22 March 2016 (Vaughan).

<sup>37</sup> ENVI, Evidence, 12 April 2016 (Gunton).

sustainable development encompasses and requires thorough consideration of economic, social and environmental factors.

#### B. Taking a Whole-of-Government Approach

Implementing sustainable development is not easy. The Commissioner has pointed this out at the federal level in Canada,<sup>38</sup> and other witnesses pointed out the long learning processes that other countries have gone through to advance sustainable development.

In Wales for instance, early attempts to put in place sustainable development policies were plagued by a lack of consistency and a lack of understanding of what sustainable development means. As a result, efforts were superficial and departments, though sometimes acting effectively themselves, always acted in "silo operation" rather than joining up in government-wide delivery.<sup>39</sup>

Regarding Canada, a witness clarified the need for coordination using the example of the government's response to climate change. He noted that the three major elements of climate change policy – mitigation, adaptation and economic opportunity – are each whole-of-government or boundary-spanning issues for which current government structures are ill-designed. Each element poses unique challenges and is addressed by its own set of relevant government departments. Mitigation policies alone need coordinated action in science and technology innovation as well as fiscal incentives and, internationally, championing Canadian clean exports abroad. In the coordinate of the coordi

A lack of coordination in mitigation presents a set of risks, particularly in not taking advantage of opportunities in the low carbon economy. A lack of coordination in adaptation policy would also be expensive. The European Commission has noted "that a lack of coordinated adaptation will cost EUR 100 billion [C\$145 billion] per year by 2020, rising to EUR 220 billion [C\$318 billion] by the year 2050."

Departmental officials made it clear that the Government of Canada is taking steps to increase coordination in its response to climate change. Indeed, when she appeared before the Committee on a different matter, the Minister of Environment and Climate Change told the Committee of her advocacy for a whole-of-government approach to tackling climate change.

<sup>38</sup> ENVI, Evidence, 22 March 2016 (Vaughan).

<sup>39</sup> ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 12 April 2016 (Peter Davies, Wales Commissioner for Sustainable Futures (2011–16) and Chair of the Wales Council for Voluntary Action, as an Individual).

<sup>40</sup> ENVI, Evidence, 22 March 2016 (Godfrey).

<sup>41</sup> ENVI, Evidence, 22 March 2016 (Vaughan).

<sup>42</sup> International Institute for Sustainable Development (Scott Vaughn), written brief, 14 April 2016.

<sup>43</sup> ENVI, *Evidence*, 14 April 2016 (Linklater).

ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 19 April 2016 (Hon. Catherine McKenna, Minister of Environment and Climate Change).

The need for a government-wide coordinated approach applies to more than just our response to climate change. It applies to our efforts to achieve all sustainable development goals. However, this is clearly more easily said than done. As one witness put it, "no one I know in government favours incoherent policies, yet in practice, coordination can be immensely difficult." There is a significant opportunity within the Federal Sustainable Development Act to improve federal coordination towards achieving our sustainable development goals.

#### 1. Starting at the Top

While some of the shortcomings in implementing sustainable development in the federal government clearly stem from the purpose of the *Federal Sustainable Development Act*, another significant issue that witnesses identified is a lack of central leadership.

The need for central leadership to champion the cause of sustainable development has been acknowledged internationally. A witness from Germany outlined that country's experience with various approaches.

We learned through the efforts and the tries in the nineties. We tried departmental approaches. They all failed. We tried approaches via Parliament that failed. We tried approaches via cities' involvement and only local agenda politics. They failed. 46

Germany has determined that central leadership is required in order "that [sustainable development] can no longer be marginalised, but rather that the issues are prioritised across all sectors of government."

This is consistent with the approach that the Organisation for Economic Co-operation and Development (OECD) recommends in its publication *Good Practices in the National Sustainable Development Strategies of OECD Countries,* which a witness brought to the Committee's attention.<sup>48</sup> The OECD suggests that "[a] good practice is to assign overall co-ordination to a Prime Minister's office or the equivalent which has greater authority to demand inputs and resolve conflicts than line ministries."

A witness compared the need for central leadership in sustainable development with the general need within a private company to involve the chief executive officer if priority objectives are to be achieved.

[Y]ou need the involvement of the CEO. Otherwise, you'll get nothing at the end of the day. But once you have the CEO and the top level of government involved, then you

46 ENVI, *Evidence*, 12 April 2016 (Bachmann).

<sup>45</sup> ENVI, Evidence, 22 March 2016 (Vaughan).

World Future Council (Catherine Pearce), written brief, n.d.

David Boyd, written brief, 14 April 2016, pp. 6–7.

Organisation for Economic Co-operation and Development, <u>Good Practices in the National Sustainable</u>

Development Strategies of OECD Countries, 2006, p. 21.

have to ensure a bottom-up element to bring in people's voices. There is a coordination and coherence issue.50

In Germany, this centralization is achieved through a system chaired by the Chief of Staff of the German Chancellery, which is one step below the Chancellor, Angela Merkel. This system has been in place through five governments of four different political persuasions.<sup>51</sup> France, Norway, Portugal and Finland were noted as other examples where responsibility for sustainable development was placed directly under the Prime Minister's office. 52

#### Sustainable Development Leadership in the Government of Canada

In Canada, the Federal Sustainable Development Act established a Sustainable Development Office (SDO) in the Department of Environment with a mandate "to develop and maintain systems and procedures to monitor progress on implementation of the Federal Sustainable Development Strategy."53 The office is supervised by a director general, which, according to witnesses, leaves the office "buried" at too low a level to effectively implement the horizontal government-wide coordination necessary to implement sustainable development.<sup>54</sup>

This situation is clearly not in keeping with the best practices identified by the OECD, and it is not working for Canada. Sustainable development needs to be made "a fundamental high level commitment from the cornerstone, central responsibility of government."55

Which central body should be responsible for leading federal sustainable development was not conclusively determined during the study; however, it was noted that there are only certain agencies within government "with the kind of mission to roam and the authority to be able to compel" - these being the Prime Minister's Office, the Privy Council Office, Treasury Board Secretariat and the Department of Finance. 56 The need for one of these organizations to be assigned overall responsibility for sustainable development – either solely or jointly with the SDO – was repeated in testimony.<sup>57</sup> In the end, which organization is to take the lead "is something to be worked out internally." 58

```
50
        ENVI, Evidence, 12 April 2016 (Bachmann).
```

<sup>51</sup> Ibid.

<sup>52</sup> David Boyd, written brief, 14 April 2016, p. 6.

<sup>53</sup> Federal Sustainable Development Act, s. 7(1).

ENVI, Evidence, 22 March 2016 (Gelfand). 54

<sup>55</sup> World Future Council (Catherine Pearce), written brief, n.d.

ENVI, Evidence, 22 March 2016 (Godfrey). 56

For example, see ENVI, *Evidence*, 14 April 2016 (Boyd). 57

<sup>58</sup> ENVI, Evidence, 12 April 2016 (Gunton).

#### Recommendation 2

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act* to enable a whole-of-government approach and comprehensive engagement of all central government agencies in the development and implementation of the Federal Sustainable Development Strategy and in championing federal sustainable development government-wide.

#### 2. Incorporating Sustainable Development Principles

One witness noted the importance of including in legislation principles to guide departments as they develop their policies, programs, and plans.<sup>59</sup> Currently the *Federal Sustainable Development Act* includes only the basic principle of sustainable development as well as the precautionary principle. However, other jurisdictions have included a number of other accepted principles related to sustainable development in their laws. For instance, it was noted that Sweden's *Environmental Code* includes principles of prevention, precaution, polluter pays and best possible technology.<sup>60</sup> Quebec's *Sustainable Development Act* includes 16 principles.<sup>61</sup> The witness suggested that the following principles be added to the *Federal Sustainable Development Act*:

- a) The polluter-pays principle incorporates health and environmental externalities into prices;
- b) Prevention is preferable to damage and restoration;
- c) Substitution replaces environmental hazards with safer alternatives;
- d) Intergenerational equity protects the rights of future generations;
- e) The non-regression principle means that today's environmental laws, regulations, and standards represent a baseline that can be strengthened in the future but not weakened;
- f) Environmental justice requires the equitable sharing of both environmental burdens and benefits;
- g) Every person has the right to live in a healthy environment;
- h) Canadian environmental standards should be as strong as, or stronger than, the highest standards in other OECD countries;
- i) Canada needs to move in the direction of a low carbon economy/society; and
- j) Recognize limits to the Earth's ecological capacity. 62

<sup>59</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

David Boyd, written brief, 14 April 2016, p. 5.

<sup>61</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

David Boyd, written brief, 14 April 2016, pp 5–6.

The inclusion of an expanded set of well-accepted sustainable development principles would help set government-wide direction for departments to follow in developing their sustainable development strategies and, indeed in developing all their policies and programs.

#### Recommendation 3

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act* to add a list of well-accepted sustainable development principles on which to base the Federal Sustainable Development Strategy, as well as departmental sustainable development strategies.

#### 3. Encompassing All of Government

The signal from all central agencies that sustainable development is a priority of the Government of Canada will be more effective in engaging line departments in the government-wide effort. Witnesses also suggested that Parliament could play a greater role in engaging departments in the FSDS.

Currently, Parliament has a number of opportunities to help develop the FSDS, to follow progress of its implementation and to hold departments accountable for the implementation of their departmental sustainable development strategies. As required by the *Federal Sustainable Development Act*, this Committee and its counterpart in the Senate receive the draft FSDS for review and comment before it is finalized and the final version of the FSDS after it is tabled. The three-year progress report is permanently referred to this Committee under Standing Order 35(2).

Current Parliamentary oversight of the departmental sustainable development strategies was outlined by a departmental official:

Departments and agencies also table and report on their departmental sustainable development strategies through supplementary tables appended to the reports on plans and priorities and departmental performance reports that are tabled in Parliament. <sup>63</sup>

This means that committees of the House of Commons are referred the relevant departmental sustainable development strategies, but this occurs through the estimates process, not as individual referrals of each strategy. Committees have shown little interest in studying these strategies.

In part, the lack of interest is likely the result of the strategies being subsumed by the estimates, but the fact that the departmental sustainable development strategies are currently just a form of environmental reporting also likely holds little sway for committees focussed on other subject matters.

13

<sup>63</sup> ENVI, <u>Evidence</u>, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 22 March 2016 (Dan McDougall, Assistant Deputy Minister, Strategic Policy Branch, Department of the Environment).

Once the purpose of the Federal Sustainable Development Act is amended to require the government to develop a strategy to work towards sustainable development goals, almost all parliamentary committees should take an interest in all steps of the process – reviewing and commenting on the draft FSDS, reviewing the final FSDS, and monitoring progress in implementing the FSDS and departmental sustainable development strategies – as they relate to subject matters under each committee's purview. Having the central agencies emphasize the importance of the process for all the various federal departments should also help the relevant parliamentary committees prioritize their oversight of the government's work towards sustainable development.

When she appeared before the Committee, the Commissioner suggested that the FSDS should be considered by almost every parliamentary committee, which would then "hold the departments that report to them accountable for the contributions they have committed to make toward the goals and targets of the federal strategy." Additionally, progress reports on the implementation of the FSDS, along with the Commissioner's assessment of those reports and the Commissioner's reports on departmental sustainable development strategies, should also be referred to all relevant parliamentary committees.

#### **Recommendation 4**

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act* and the *Auditor General Act*, as appropriate, to provide:

- that the draft of the Federal Sustainable Development Strategy be submitted to all appropriate committees of each House of Parliament for review and comment;
- that a Federal Sustainable Development Strategy that is tabled in a House of Parliament is deemed to be referred to all relevant committees of that House;
- that a report on the progress of the federal government in implementing the Federal Sustainable Development Strategy that is tabled in a House of Parliament is deemed to be referred to all relevant committees of that House; and
- that a report of the Commissioner of the Environment and Sustainable Development relating to the Government's progress report, as well as the Commissioner's reports relating to departmental sustainable development strategies, be referred to all relevant parliamentary committees.

In view of the proposed new purpose of the Act and the great breadth of sustainable development, as many federal departments, agencies and other bodies as practicable should be required to prepare a departmental sustainable development

<sup>64</sup> ENVI, Evidence, 22 March 2016 (Gelfand).

strategy. An amendment to the Act may be needed to facilitate the process of adding new names to the list of federal bodies required to prepare departmental sustainable development strategies, which is set out in the Schedule of the Act.

#### **Recommendation 5**

The Committee recommends that the central agencies of the Government of Canada that may be assigned responsibility for federal sustainable development undertake a review process to determine which federal bodies that are not currently obliged to prepare a departmental sustainable development strategy should be required to do so. The Government should introduce any amendments to the Federal Sustainable Development Act necessary to facilitate the process of amending the Schedule of the Act.

#### C. Setting Goals in the Act

As recommended earlier in this report, the government should redirect its efforts from environmental reporting towards developing a FSDS to lead Canada on a path towards sustainable development. An effective strategy must have end goals. One witness summarized it succinctly:

If you don't know clearly what it is that you are trying to achieve, then you're never going to achieve it, and you're never going to know whether you're on the right course. <sup>65</sup>

The 2016–2019 draft FSDS includes what it refers to as "five long-term, aspirational goals." These are:

- Taking Action on Climate Change;
- Clean Technology, Jobs and Innovations;
- National Parks, Protected Areas and Ecosystems;
- Freshwater and Oceans; and
- Human Health, Well-being and Quality of Life.

As one witness pointed out, these "are not goals, are not aspirational, are not long-term, and do not address the three pillars of [sustainable development]." The Committee notes that goals were included in the original version of the bill when it was introduced, but they were deleted in favour of a "less prescriptive approach" in the current Act that

<sup>65</sup> ENVI, Evidence, 12 April 2016 (Gunton).

David Boyd, written brief, 14 April 2016, p. 2.

<sup>67</sup> Environment and Climate Change Canada, *Comparison Between Bill C-474 and the Federal Sustainable Development Act*, Memorandum to the Standing Committee on Environment and Sustainable Development, 26 May 2016.

provides for federal sustainable development goals to be included in the FSDS. This approach is not working. The draft FSDS includes goals in name only and therefore will never lead Canada on a path to achieve specific and tangible results.

A number of witnesses pointed to Wales' new legislation, the *Well-being of Future Generations Act*, as a possible model for amending the Canadian Act. Following a national conversation on "The Wales We Want," the Welsh legislation was "designed to align directly with the United Nations sustainable development goals." It includes the following seven national goals: a prosperous Wales, a more resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales with a vibrant culture and thriving Welsh language, and a globally responsible Wales. Wales' former Commissioner for Sustainable Futures described that country's attempt, through its legislation, to "set out a basis for consensus on what we want to try to achieve as a nation, set some clear measures in place, and set some clarity about how we get there, such as the principles of involving communities in decision-making."

Similarly, the *Federal Sustainable Development Act* should set out federal goals to guide advancement of sustainable development in Canada. As noted later in this report, the public should be engaged in setting these goals. In addition, the government should be guided by the commitments towards sustainable development that Canada has already made to the world, including the United Nations Sustainable Development Goals, as well as our climate change commitments under the Paris Agreement.<sup>71</sup>

#### Recommendation 6

The Committee recommends that the Government of Canada introduce amendments to add to the *Federal Sustainable Development Act* specific federal sustainable development goals that take into account Canada's international commitments to sustainable development, including those made under the 2030 Agenda for Sustainable Development and the Paris Agreement.

#### D. Ensuring Targets Cover the Short, Medium and Long Term and are SMART

In order to achieve federal sustainable development goals, quantifiable targets need to be set in order to measure progress towards the goals and ensure accountability.<sup>72</sup> Specific actions and strategies to meet each target may then be planned.

The value of setting targets was stressed by several witnesses, one of whom cited Vancouver's Greenest City initiative as a model of effective target setting. In 2010, that city adopted a plan with targets such as: "reduce [greenhouse gas emissions] 33% from 2007

```
68 ENVI, Evidence, 12 April 2016 (Davies).
```

70 Ibid.

<sup>69</sup> Ibid.

<sup>71</sup> See ENVI, Evidence, 22 March 2016 (McDougall) and ENVI, Evidence, 14 April 2016 (Boyd).

<sup>72</sup> David Boyd, written brief, 14 April 2016, p. 4.

levels by 2020" (a target towards the goal of eliminating Vancouver's dependence on fossil fuels) and "more than half of all trips on foot, bicycle, or transit by 2020" (a target towards the goal of creating a green transportation system). A comprehensive implementation strategy was then developed to meet the targets, and annual progress reports are published. The Committee heard that "[t]his approach has led to effective implementation and international recognition that Vancouver is one of the world's greenest cities."

Although the *Federal Sustainable Development Act* already requires that targets be set in support of achieving goals, witnesses testified that the targets are not effective. One witness described the FSDS targets as "poorly conceived." As an example, he cited target 5.6 of the draft 2016–2019 FSDS. It reads: "Reduce the risk to Canadians and impacts on the environment and human health posed by harmful substances." This target supports "Goal 5: Human Health, Well-being and Quality of Life." The witness explained that this target is not effective because it lacks focus, it is not measurable and no timeline is set for achieving it. <sup>76</sup>

More generally, witnesses identified two specific deficiencies with most targets included in the 2016–2019 draft FSDS: they are not short (1–5 years), medium (5–15 years) and long-term (15–50 years), and they generally do not meet all the criteria to be considered SMART (specific, measurable, achievable, relevant, and time-bound).<sup>77</sup>

As an example of the importance of having short-, medium- and long-term targets, one witness pointed to Canada's commitment of reducing greenhouse gases by 30% below 2005 levels by 2030. He pointed out that without "short- and medium-term targets to constantly monitor the degree to which you're meeting those objectives, there is no compliance and there's no accountability."

The importance of ensuring that all targets meet the SMART criteria was touched on earlier in this report. As articulated by a witness, "these are criteria of targets that are absolutely essential for accountability, for monitoring, and for enabling the Commissioner of the environment to actually perform her function as a watchdog and as an auditor."

Yet, very few of the targets included in the current FSDS meet all of the SMART criteria. After reviewing the draft 2013–2016 FSDS, the Commissioner concluded that over

74 Ibid., pp. 4–5.

Example cited by David Boyd, written brief, 14 April 2016, p. 4.

78 ENVI, Evidence, 12 April 2016 (Gunton).

<sup>73</sup> Ibid.

<sup>75</sup> Ibid., p. 4.

<sup>77</sup> For example, see ENVI, *Evidence*, 12 April 2016 (Gunton) and ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>79</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

80% of the targets were not SMART, 80 a problem that also applies to the current draft, according to at least one witness. 81

Accordingly, the *Federal Sustainable Development Act* should require explicitly that the strategy set short-, medium- and long-term federal sustainable development targets that meet the SMART criteria.

#### Recommendation 7

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act* to specify that the Federal Sustainable Development Strategy must include short-, medium- and long-term targets that meet the SMART criteria (specific, measurable, achievable, relevant and time-bound).

#### E. Ensuring Accountability and Enforceability

The Commissioner plays a significant role as the watchdog over the entire federal sustainable development process. The Commissioner reviews each draft FSDS before it is finalized and comments on whether the targets and implementation strategies can be assessed. As mentioned earlier, the Commissioner has reported a poor track record in the government's target setting in FSDSs. 82

A second role the Commissioner plays is to examine and report on the fairness of information contained in reports that the government tables at least once every three years summarizing progress made in implementing the FSDS. So far, the government has tabled three progress reports, and the Commissioner has reported on two of them.<sup>83</sup> The Commissioner noted that the 2011 Progress Report did not contain any information on the government's progress,<sup>84</sup> and insufficient information was included in the 2012 Progress Report to provide a fair presentation of progress being made.<sup>85</sup>

Finally, the Commissioner monitors and reports annually how well federal departments and agencies have met objectives and implemented plans set out in their departmental sustainable development strategies, which comply with and contribute to the FSDS. To fulfill this duty, each year the Commissioner has been focussing on four or five

Office of the Auditor General of Canada, "<u>Chapter 8–Federal and Departmental Sustainable Development Strategies</u>," 2013 Fall Report of the Commissioner for the Environment and Sustainable Development, para. 8.36.

<sup>81</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

See Office of the Auditor General of Canada, "<u>Chapter 8–Federal and Departmental Sustainable Development Strategies</u>," 2013 Fall Report of the Commissioner for the Environment and Sustainable Development and "<u>The Commissioner's Perspective</u>," 2010 Fall Report of the Commissioner of the Environment and Sustainable Development.

The Commissioner has not yet commented on the 2015 Progress Report.

Office of the Auditor General of Canada, "<u>The Commissioner's Perspective</u>," 2011 December Report of the Commissioner of the Environment and Sustainable Development.

Office of the Auditor General of Canada, "<u>Chapter 8–Federal and Departmental Sustainable Development Strategies</u>," 2013 Fall Report of the Commissioner for the Environment and Sustainable Development.

departments' and agencies' application of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals.*<sup>86</sup> Departments and agencies have been required to follow this directive since 1990, and since 2011–2012, many departments and agencies have included specific commitments regarding the cabinet directive in their departmental sustainable development strategies. However, though departments and agencies are clearly aware of the directive and know that its application is mandatory, the Commissioner has reported a poor track record of non-compliance. The last 5 departments and agencies audited applied the cabinet directive to less than 50% of the proposals submitted to cabinet and to only 5 of the 1,700 proposals they submitted to ministers.<sup>87</sup>

Overall, the Commissioner has established a clear picture that the current approach to preparing and implementing both the FSDS and departmental strategies lacks both accountability and enforceability. Numerous witnesses suggested means of addressing these problems.

In order to address the inadequacy of targets included in the FSDS, the Committee has already recommended enacting a requirement that targets cover the short, medium and long term and that they meet the SMART criteria. One witness went further and suggested strengthening the role of the Commissioner so that she can reject a draft FSDS if it includes targets that do not meet the SMART criteria. He suggested that the Commissioner could be empowered to send a draft FSDS back for revision until the targets are judged adequate. 88

Regarding the need to be accountable for progress, as mentioned earlier, the government currently reports on progress at least once every three years, and there is no requirement to take corrective action even if it becomes apparent that progress is inadequate. This approach has proven ineffective. The common practice in business and in other countries, such as Germany, is to report annually on progress made towards targets. Annual reporting provides a timely indication if strategies and actions are not proving effective to reach targets; it affords an early opportunity to make revisions to get back on track. Witnesses suggested that the government should be assessing and reporting on progress annually and that it should be required to revise its strategies and actions in its FSDS when it becomes apparent that targets are not being met or surpassed.

<sup>86</sup> See Canadian Environmental Assessment Agency, <u>The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals.</u>

Office of the Auditor General of Canada, "Report 3-Departmental Progress in Implementing Sustainable Development Strategies," 2015 Fall Reports of the Commissioner of the Environment and Sustainable Development.

<sup>88</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>89</sup> ENVI, <u>Evidence</u>, 14 April 2016 (Boyd). Also see ENVI, <u>Evidence</u>, 12 April 2016 (Bachmann and Malini Mehra, Chief Executive, Global Legislators Organisation for a Balanced Environment (GLOBE) International).

<sup>90</sup> See David Boyd, written brief, 14 April 2016, p. 7 and ENVI, *Evidence*, 12 April 2016 (Gunton).

To address the problem of ineffective strategies and actions included in an FSDS, witnesses suggested that the Commissioner be given a forward-looking role to forecast whether strategies included in an FSDS are likely to be effective at meeting their relevant targets. <sup>91</sup> Another approach to ensure that targets are met would involve including the targets in regulations, rather than in the FSDS, in order to make them enforceable. <sup>92</sup>

A similar suggestion was made for increasing compliance with the cabinet directive. Two witnesses proposed that its requirements be enacted in law – either in the *Federal Sustainable Development Act* or in the *Canadian Environmental Assessment Act*, 2012. Doing so would enable members of the public to hold the government accountable by taking it to court if it does not comply with the law. A witness noted that there is a high degree of compliance with the European Union's law requiring strategic environmental assessment because it is a legal obligation.

A different means of ensuring accountability both for the effectiveness of strategies and actions as well as for complying with the cabinet directive is through performance contracts. A witness questioned why government managers are not held to account financially for their actions in the same way that people working for large multinationals with effective sustainable development strategies are held to account. <sup>96</sup>

In fact, the *Federal Sustainable Development Act* already includes a provision requiring that performance-based contracts with the Government of Canada include provisions for meeting the applicable targets referred to in the FSDS and the departmental sustainable development strategies. Two witnesses explained to the Committee why this provision has not been effective: the government has chosen to interpret this provision very narrowly as applying to only the greening-of-government targets in departmental strategies<sup>97</sup> or specific third-party contracts<sup>98</sup> and not, as it was intended, to all the targets included in the FSDS. Revising this provision to clarify that it applies in respect of all targets for which a department or agency is responsible could be an effective means of holding people to account for meeting targets.

In summary, the Committee heard numerous suggestions for improving enforceability and accountability. While the changes proposed in some of these suggestions are readily implemented, other suggested changes are more complex and require further evaluation and may include new federal sustainable development regulations and ensure budgetary sufficiency.

```
91 ENVI, Evidence, 14 April 2016 (Boyd) and ENVI, Evidence, 12 April 2016 (Gunton).
```

oo ibid.

<sup>92</sup> ENVI, *Evidence*, 12 April 2016 (Gunton).

<sup>93</sup> ENVI, Evidence, 14 April 2016 (Boyd) and ENVI, Evidence, 22 March 2016 (Gelfand).

<sup>94</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>95</sup> Ibid.

<sup>96</sup> ENVI, *Evidence*, 12 April 2016 (Mehra).

<sup>97</sup> ENVI, Evidence, 22 March 2016 (Godfrey).

<sup>98</sup> ENVI, Evidence, 22 March 2016 (Vaughan).

#### **Recommendation 8**

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act*:

- to establish a new two-year, staggered time frame for developing a new Federal Sustainable Development Strategy and for producing the report on the Government's progress in implementing the Federal Sustainable Development Strategy;
- to require the Government to revise the Federal Sustainable Development Strategy to respond to indications of insufficient progress or new information; and
- to clarify that section 12, which relates to performance-based contracts, applies in respect of all targets in the Federal Sustainable Development Strategy relevant to a specific department, agency or other federal body.

#### Recommendation 9

The Committee recommends that the Government of Canada adopt a concise and simple format for its biennial report on the progress of the federal government in implementing the Federal Sustainable Development Strategy, including performance metrics and a plain-language scorecard.

#### **Recommendation 10**

The Committee recommends that the Government of Canada develop additional measures for improving enforceability and accountability in support of meeting the sustainable development targets. In developing these measures, the Government should seek the advice of the Commissioner of the Environment and Sustainable Development.

#### F. Starting the Process

A number of witnesses who appeared before the Committee alluded to the difficulties of developing a comprehensive set of complex sustainable development targets. The 2030 Agenda, for instance, includes 169 targets that were described as "at their worst ... policy sprawl." Their message to the Committee and to the federal government was to start by setting priorities and by taking first steps. <sup>100</sup>

<sup>99</sup> Ibid.

<sup>100</sup> For

For example, see ENVI, *Evidence*, 22 March 2016 (Vaughan) and ENVI, *Evidence*, 12 April 2016 (Gunton and Bachmann).

One area that the government could consider prioritizing is in leading by example by greening its own operations. One witness described this area as "hugely important." 101 He explained:

People who are working with building codes now, companies that are buying fleets, people who are looking at how to install solar and geothermal, and others will be looking to examples and performance data from the federal government on making those investments and showing the leadership. So is it going to cost? Yes. Is there a payback? Yes. 102

Changes as minor as installing charging stations for electric vehicles at government buildings and installing bike racks on Parliament Hill are examples of small but concrete steps in the right direction.

#### LOOKING TOWARDS THE FUTURE

The Committee heard suggestions for additional steps that the government could consider taking to look toward the future, including appointing an advocate for future generations and better engaging Canadians on the topic of sustainable development and the goals that they wish to achieve.

#### A. An Advocate for Future Generations

An integral aspect of sustainable development is having regard for future generations, yet future generations have no voice in today's decision making that will ultimately affect their interests. For that reason, a number of witnesses suggested that the government could establish a new position – a commissioner of future generations. 103 A witness explained that the commissioner's office would be an independent body that actively advocates for long-term interests and helps to promote and implement intergenerational justice. 104 She testified that "[t]hrough offering recommendations, and building capacity, such institutions have proven very effective in overcoming short-termism and alleviating the policy incoherence plaguing the decisions of today."105

The Committee heard from two witnesses that the United Nations Secretary-General recently reported "on the need for promoting intergenerational solidarity for the achievement of sustainable development, taking into account the needs of future generations."106 The report notes that a number of jurisdictions – such as Finland, Hungary, Israel, New Zealand and Wales – "either have or have had an office that serves

103 See ENVI, Evidence, 12 April 2016 (Pearce and Davies) and ENVI, Evidence, 14 April 2016 (Boyd).

ENVI, Evidence, 22 March 2016 (Vaughan). 101

<sup>102</sup> Ibid.

<sup>104</sup> ENVI, Evidence, 12 April 2016 (Pearce).

<sup>105</sup> Ibid.

ENVI, Evidence, 12 April 2016 (Pearce) and ENVI, Evidence, 14 April 2016 (Boyd). See: United Nations 106 General Assembly, Intergenerational solidarity and the needs of future generations Report of the Secretary-General, 5 August 2013.

to protect the needs of future generations."<sup>107</sup> One witness noted "that these institutions are all different, reflecting domestic political makeup and context."<sup>108</sup> Indeed Canada's Commissioner, as an auditor of departmental sustainable development performance and overseer of environmental petitions, is mentioned in the same report as an example of an office that protects the needs of future generations.<sup>109</sup>

During testimony, the example of Wales was discussed at some length. The position of Wales' Future Generations Commissioner was established only recently, and the first commissioner took up her post on April 1, 2016. Under that country's *Wellbeing of Future Generations Act*, the Future Generations Commissioner "has statutory powers and duties to ensure that the intent of the legislation is being applied in practice." The Committee was interested to learn that the Future Generations Commissioner for Wales is required – a year before the general election – to assess and report on the improvements public bodies should make in order to set and meet well-being objectives. The report is intended to inform and improve electoral debate.

If a position similar to that of the Wales' Commissioner for Future Generations were established in Canada, several witnesses cautioned that it should be separate from the current role of the Commissioner of the Environment and Sustainable Development, who performs purely an audit function. <sup>113</sup> As one witness explained:

I think auditors enjoy a great degree of credibility because of the nature of the work they do. I think expecting the commissioner to perform both an audit and an advocate role would be undermining to both. 114

There is value in having a position that helps to protect the needs of future generations, a role that the Commissioner can only partially fulfil due to her role as an auditor. In his report, the UN Secretary-General "outlined options for possible models to institutionalize concern for future generations," including the creation of a commissioner or special envoy for future generations.<sup>115</sup>

#### **Recommendation 11**

The Committee recommends that the Government of Canada establish an advocate for Canada's future generations. In developing the mandate of the advocate, the Government should be informed by the

<sup>107</sup> United Nations General Assembly, <u>Intergenerational solidarity and the needs of future generations Report of the Secretary-General</u>, (2013).

<sup>108</sup> ENVI, Evidence, 12 April 2016 (Pearce).

<sup>109</sup> ENVI, Evidence, 12 April 2016 (Pearce). Also see United Nations General Assembly (2013).

<sup>110</sup> ENVI, *Evidence*, 12 April 2016 (Davies).

<sup>111</sup> Government of Wales, Well-being of Future Generations (Wales) Act 2015, s. 23.

<sup>112</sup> ENVI, Evidence, 12 April 2016 (Davies).

<sup>113</sup> For example, see ENVI, Evidence, 12 April 2016 (Davies) and ENVI, Evidence, 14 April 2016 (Boyd).

<sup>114</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

<sup>115</sup> United Nations General Assembly (2013).

## mandates of similar entities established in other jurisdictions as well as international best practices in promoting intergenerational equity.

An alternative or perhaps additional means of ensuring that the interests of future generations are represented today would be to create a parliamentary committee of the future. The Committee heard that both Germany and Finland have created such a body. The German parliamentary advisory commission is a form of ombudsman for future generations that is tasked with assessing the legal impact of legislation. The Finnish parliamentary committee for the future, which has been in place since 1993, "strives to identify major future problems and opportunities and examines the long-term impacts of government actions." Parliament might consider establishing such a committee to help protect the interests of future Canadians.

#### **B. Engaging With Canadians**

Implementing the recommendations in this report – changing the purpose of the Act, taking a whole-of-government approach and establishing a better FSDS with enforceable targets – will take us a long way towards sustainable development, but these changes represent only the way forward, not the finish line. As one witness put it: "Very bluntly, you will not regulate yourself into sustainable development. Sustainable development is more than just regulation." Another witness concurred, stating that "legislation on its own is not going to be a silver bullet; it will not change the world on its own. You need a process whereby you involve the wider community in enabling that change to happen." 119

Sustainable development involves a two-way dialogue with society. People need information about future trends so that they understand why it is important to take certain actions now. People also need to be able to make more decisions at the local level. A representative from Wales testified that, in that country's experience, the greatest progress is made when communities have been allowed "to mobilize, take action, and shape their own future." 121

The Committee heard how the Canadian government is already engaging with the public on sustainable development by providing for the public's participation in the development of the FSDS. Specifically, the draft FSDS "asks Canadians to weigh in on several questions in the areas of articulating the vision, increasing the transparency and accountability, acknowledging the role of the sustainable development goals, and recognizing the contributions of our partners." A representative from Environment and

```
116 ENVI, Evidence, 12 April 2016 (Bachmann).
```

David Boyd, written brief, 14 April 2016, pp. 8–9.

<sup>118</sup> ENVI, Evidence, 12 April 2016 (Bachmann).

<sup>119</sup> ENVI, Evidence, 12 April 2016 (Davies).

<sup>120</sup> ENVI, *Evidence*, 12 April 2016 (Bachmann).

<sup>121</sup> ENVI, Evidence, 12 April 2016 (Davies).

<sup>122</sup> ENVI, *Evidence*, 22 March 2016 (McDougall).

Climate Change Canada confirmed that the department has already received a number of substantive comments from the public. 123

However, the Committee heard how more could be done to engage with Canadians, particularly on the United Nations 17 Sustainable Development Goals. In late 2015, the European Commission began public consultations across the commission regarding the goals. In about 12 African countries and across Belarus, consultations took place that engaged hundreds of thousands of people to show what the goals will mean for their economies, their communities and their people. In Wales, the new *Well-being of Future Generations Act* "was influenced and shaped by a national conversation on 'The Wales We Want,' which linked very much to the UN global conversation on 'The World We Want'." One witness suggested that, in 2017 as a 150<sup>th</sup> anniversary project, Canada could undertake a public consultation on "The Canada We Want."

Although engaging in a two-way dialogue with Canadians on sustainable development would be beneficial, exactly how this would take place "requires considerable time and thought, not to mention capacity and resourcing, bearing in mind the breadth and diversity of Canadian society and the challenges for meaningful engagement." <sup>127</sup>

However, witnesses noted a few points regarding any such future public engagement that the government may choose to consider. First, if the position of Commissioner of Future Generations were to be created, the Commissioner might be tasked with developing and carrying out the public engagement process. Second, engagement with Canadians might be shaped around the United Nations Sustainable Development Goals and how they should affect the future of Canada. Finally, recognizing the vastness and diversity of needs, economies, resources and interests across this country, public engagement should be focussed at the local level, in municipalities and communities.

#### **Recommendation 12**

The Committee recommends that the Government of Canada undertake a public consultation on "The Canada We Want" in order to build and maintain an ongoing conversation with Canadians towards the achievement of the UN Sustainable Development Goals.

```
123 Ibid.
```

124 ENVI, *Evidence*, 22 March 2016 (Vaughan).

<sup>125</sup> ENVI, Evidence, 12 April 2016 (Davies).

<sup>126</sup> ENVI, *Evidence*, 14 April 2016 (Boyd).

World Future Council (Catherine Pearce), written brief, n.d.

<sup>128</sup> Ibid.

#### **Recommendation 13**

The Committee requests that, one year following the tabling of its comprehensive response to this report, the Government report back to the Committee on its progress in implementing all of the recommendations contained in this report.

#### CONCLUSION

In 2015, the world acknowledged that it is time to do things differently. Today, the world in which we live is marked by unacceptable levels of poverty, natural resource depletion, biodiversity loss and environmental degradation. It is challenged by health threats, terrorism and related humanitarian crises as well as the pervasive threat of climate change. Sustainable development needs to be the way of the future. Canada needs to do its part.

Canada took a big step toward implementing sustainable development when it enacted the *Federal Sustainable Development Act* in 2008. With experience gained over the last eight years, the shortcomings of the current process are now apparent. It is time to take the next step by amending the Act to require the development of an effective federal strategy that will inspire in equal measure environmental, social and economic advancement toward a better future.

#### LIST OF RECOMMENDATIONS

#### **Recommendation 1**

The Committee recommends that the Government of Canada introduce amendments to the purpose provision of the Federal Sustainable Development Act. The new purpose should be to require the Government to develop a strategy to lead Canada on a path towards sustainable development and contribute to meeting the United Nations Sustainable Development Goals. The purpose should clarify that sustainable development encompasses and requires thorough consideration of economic, social and environmental factors.

#### **Recommendation 2**

#### **Recommendation 3**

#### **Recommendation 4**

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act* and the *Auditor General Act*, as appropriate, to provide:

- that the draft of the Federal Sustainable Development Strategy be submitted to all appropriate committees of each House of Parliament for review and comment;
- that a Federal Sustainable Development Strategy that is tabled in a House of Parliament is deemed to be referred to all relevant committees of that House:

- that a report on the progress of the federal government in implementing the Federal Sustainable Development Strategy that is tabled in a House of Parliament is deemed to be referred to all relevant committees of that House; and

#### **Recommendation 5**

#### Recommendation 6

#### Recommendation 7

#### Recommendation 8

The Committee recommends that the Government of Canada introduce amendments to the *Federal Sustainable Development Act*:

 to establish a new two-year, staggered time frame for developing a new Federal Sustainable Development Strategy and for producing the report on the Government's progress in implementing the Federal Sustainable Development Strategy;

<ul> <li>to require the Government to revise the Federal Sustainable Development Strategy to respond to indications of insufficient progress or new information; and</li> </ul>
<ul> <li>to clarify that section 12, which relates to performance-based contracts, applies in respect of all targets in the Federal Sustainable Development Strategy relevant to a specific department, agency or other federal body.</li> </ul>
Recommendation 9
The Committee recommends that the Government of Canada adopt a concise and simple format for its biennial report on the progress of the federal government in implementing the Federal Sustainable Development Strategy, including performance metrics and a plain-language scorecard
Recommendation 10
The Committee recommends that the Government of Canada develop additional measures for improving enforceability and accountability in support of meeting the sustainable development targets. In developing these measures, the Government should seek the advice of the Commissioner of the Environment and Sustainable Development
Recommendation 11
The Committee recommends that the Government of Canada establish an advocate for Canada's future generations. In developing the mandate of the advocate, the Government should be informed by the mandates of similar entities established in other jurisdictions as well as international best practices in promoting intergenerational equity
Recommendation 12
The Committee recommends that the Government of Canada undertake a public consultation on "The Canada We Want" in order to build and maintain an ongoing conversation with Canadians towards the achievement of the UN Sustainable Development Goals 25
Recommendation 13
The Committee requests that, one year following the tabling of its comprehensive response to this report, the Government report back to the Committee on its progress in implementing all of the
recommendations contained in this report26

## APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
As an individual	2016/03/22	8
Hon. John Godfrey		
Department of Public Works and Government Services		
Duncan Retson, Director General, Portfolio and Government Affairs Sector, Policy, Planning and Communications Branch		
Department of the Environment		
Paula Brand, Director General, Sustainability Directorate, Strategic Policy Branch		
Dan McDougall, Assistant Deputy Minister, Strategic Policy Branch		
International Institute for Sustainable Development		
Scott Vaughan, President and Chief Executive Officer		
Office of the Commissioner of the Environment and Sustainable Development		
Julie Gelfand, Commissioner		
Andrew Hayes, Principal		
James McKenzie, Principal		
As individuals	2016/04/12	9
Peter Davies, Wales Commissioner for Sustainable Futures (2011-16) and Chair of the Wales Council for Voluntary Action		
Thomas Gunton, Professor, Director of Resource and Environmental Planning, School of Resource and Environmental Management, Simon Fraser University		
German Council for Sustainable Development (RNE)		
Günther Bachmann, Secretary General		
Global Legislators Organisation for a Balanced Environment (GLOBE) International		
Malini Mehra, Chief Executive		
Office of the Commissioner of the Environment and Sustainable Development		
Julie Gelfand, Commissioner		
World Future Council		

Catherine Pearce, Future Justice Director

Organizations and Individuals	Date	Meeting
As an individual	2016/04/14	10
David Boyd, Adjunct Professor, Resource and Environmental Management, Simon Fraser University		

#### **Department of Finance**

Richard Botham, Assistant Deputy Minister, Economic Development and Corporate Finance Branch Mindrag Joyanovic General Director

Miodrag Jovanovic, General Director, Tax Policy Branch

## Office of the Commissioner of the Environment and Sustainable Development

Julie Gelfand, Commissioner

#### **Privy Council Office**

Les Linklater, Deputy Secretary to the Cabinet, Operations

### APPENDIX B LIST OF BRIEFS

#### **Organizations and Individuals**

Boyd, David

**International Institute for Sustainable Development** 

### **REQUEST FOR GOVERNMENT RESPONSE**

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings (Meetings Nos. 8, 9, 10, 12, 19, 21 and 23) is tabled.

Respectfully submitted,

Deborah Schulte Chair