



*Sustainable Energy Solutions*

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To whom it may concern,

The Pembina Institute is pleased to take this opportunity to provide comments on the Government of Canada's Consultation Paper entitled *Planning for a Sustainable Future: A Federal Sustainable Development Strategy for Canada*.

We wish to provide comments on four areas of the proposed strategy:

- The overview of the government's approach to sustainable development planning presented in the Message from the Minister and Chapters 1 to 3 of the consultation paper (Section 1)
- The proposed strategy's adherence to the Federal Sustainable Development Act (Section 2)
- The goal, target and implementation strategies related to Target 1.1, Climate Change Mitigation (Section 3)
- Selected other goals, targets and implementation strategies included in Annex I (Section 4).

Thank you in advance for your consideration of these comments, and please do not hesitate to contact us with any further questions.

Sincerely,

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## Section 1: Overview of the Government of Canada's proposed approach to sustainable development planning

- Page ii: We are fully supportive of the Minister's stated goal of "a coherent strategy for sustainable development across the various departments and agencies" that will "put sustainable development at the heart of government decision-making." We are also in full agreement with the Commissioner for the Environment and Sustainable Development's view (described in more detail on p. 2) that the past departmental sustainability planning process was weak and ineffective.
- Page 1: While we agree that success can be built on "modest, achievable first steps" en route to "longer-term institutional change," the leisurely pace described here is out of step with the scientific community's advice on the urgency of reducing greenhouse gas (GHG) emissions and improving overall environmental performance. In the final version of the strategy, we believe that text should be added to reflect the urgency of the environmental issues, to ensure that the strategy does not enshrine the notion that sustainability is solely a long-term project.
- Page 3: One way of improving accountability and transparency in the government's attempt to "benchmark and track our country's progress" is to take seriously the results of independent assessments of Canada's performance. Numerous credible benchmarking studies track countries' sustainability performance; for example, Canada's National Round Table on the Environment and the Economy (NRTEE) has recently published its first annual Low-Carbon Performance Index, which compares Canada to its G8 peers on 15 indicators. As part of its reporting to Parliament and Canadians on sustainability, the Government of Canada should include a review of Canada's performance on environmental assessments from credible independent analysts.
- Page 5–6: We agree that effective sustainable development planning must be linked to "the government's core expenditure planning and reporting system" (p. 3) and form an integral part of the Government of Canada's budgetary decision-making. However, the consultation paper fails to specify how this will be accomplished, and what will change as a result. Vague language such as "The process will be more transparent and have a higher profile" (p. 6) does not provide clarity to interested Canadians about where we will see the new approach to sustainability planning reflected. We recommend that the final version of the strategy provide a detailed description of the way that sustainability planning has been included in the federal Expenditure Management System (EMS) to date, and how that will change as a result of the new planning process. One specific suggestion is to follow the lead of the UK government by incorporating a "social cost of carbon," or estimate of the damage caused by GHG emissions, into budgetary decisions.<sup>1</sup> This type of analysis could help to shift budgetary decision-making from supporting high-emissions options towards lower-emission choices.

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<sup>1</sup> A description of the social cost of carbon methodology and application is provided in a December 2007 publication from the Economics Group at the Department of Environment, Food and Rural Affairs entitled *The Social Cost of Carbon and the Shadow Price of Carbon: what they are, and how to use them in economic appraisal in the UK*, which is available from [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/lc\\_uk/valuation/shadow\\_price/shadow\\_price.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/lc_uk/valuation/shadow_price/shadow_price.aspx).

- Page 6: Similarly, the tracking process sketched out on p. 6 is very vague. It is not clear from the description provided here how the data gathered through the EMS and the Canadian Environmental Sustainability Indicators (CESI) will be used. The consequences of failing to meet the goals are not clear. The differences between the older approach and the new proposal are not described in this document. In the final version of the strategy, we recommend providing a table that delineates the old process and the new process, so that Canadians have a clear sense of what has changed at each step of the way thanks to the new approach to sustainable development. In addition, we note that while the CESI system includes detailed indicators for air pollutants, GHGs and water quality, the system's indicators for water use, biodiversity and other ecosystem services are far from adequate and should be strengthened.
- Page 7: While we welcome the statement that "Canada intends to be a leader" in the future low-carbon world, Canada's aspiration to leadership is surely undercut by the government's decision (also noted on this page) to "develop and implement a climate change and clean energy strategy that is harmonized with that of the United States." Tying our own climate plans to another country's opens up the risk of delayed action here if the U.S. is slow to act, and that risk makes it inappropriate to characterize Canada's actions as "leadership."
- Page 10: It is not clear from the description provided why Canada's goals must be merely "aspirational" and "provide a long-term view." The final strategy would be far stronger if it included goals that are near-term and mandatory in addition to goals that are aspirational and long-term.

## **Section 2: The proposed strategy's adherence to the Federal Sustainable Development Act ("the Act")**

- The consultation paper fails to include the role of the committee of the Queen's Privy Council for Canada, who are required under Section 6 of the Act to "have oversight of the development and implementation of the Federal Sustainable Development Strategy." The final strategy should list the members of this committee and outline (i) their contribution to the development of the strategy and (ii) the ongoing role they will play in its implementation.
- Similarly, the consultation paper fails to list the members of the Sustainable Development Advisory Council (Section 8 of the Act), who are required under the Act to receive a draft of the Federal Sustainable Development Strategy. The final version of the strategy should list the members of this committee and outline (i) their contribution to the development of the strategy and (ii) the ongoing role they will play in its implementation.
- The consultation paper fails to specify how the draft strategy is based on the precautionary principle, as required by Section 9 of the Act.
- Section 10 of the Act requires the strategy to include:
  - Goals
  - Targets
  - An implementation strategy for meeting each target

- The identification of the minister responsible for meeting each target. The Pembina Institute’s review of Target 1.1, Climate Change Mitigation (see below), finds that it does include a goal, a target, and an implementation strategy for meeting the target (without showing that the strategy will meet the target), but fails to identify the minister responsible. We assume that it would be the Minister of the Environment, but it is important for both legal and accountability reasons to be clear about this.
- Section 11 of the Act requires each Minister presiding over a department named in Schedule I to the Financial Administration Act, or an agency named in the schedule of the Act, to prepare their own sustainable development strategies that comply with and contribute to the federal strategy. The consultation paper does not explain the process whereby those strategies will be made compliant with, and contributors to, the overall federal strategy.
- Section 12 of the Act requires “performance-based contracts with the Government of Canada” to include provisions for meeting the targets in the federal strategy. However, the consultation paper is silent on how this will be accomplished and what its consequences might be.

### **Section 3: The goal, target and implementation strategies related to Target 1.1, Climate Change Mitigation**

- *General comment:* The strategy would be far stronger if it included a rationale for the goals and targets it sets. At present, it is not clear how Goal 1 and Target 1.1 were chosen, nor what analysis went into selecting them. When setting a climate change target or goal, we believe that it should be shown to be consistent with, at a minimum, (i) the ultimate objective and principles of the United Nations Framework Convention on Climate Change and (ii) the most recent and authoritative climate science available. In this regard, the Government of Canada may find it instructive to consider the approach proposed in Bill C-311, the *Climate Change Accountability Act*, which sets a science-based target for Canada’s national GHG emissions in 2050 and outlines a thorough planning and accountability process designed to meet that target.
- *General comment:* Some items in the implementation strategies pertain to several federal departments, but the strategy fails to specify a lead department in those cases. (See, for example, “Regulatory research and reporting” under 1.1.1.1.)
- *General comment:* The majority of the implementation strategies listed under Target 1.1 lack deadlines. Many also lack numerical or quantifiable goals, which will make it very difficult to credibly measure performance (e.g., “enhance energy-efficiency regulations for consumer and commercial products”).
- Goal 1 (“reduce greenhouse gas emission levels to mitigate the severity and unavoidable impacts of climate change”) should be strengthened by including a reference to a 2°C limit in the increase in global average temperatures above pre-industrial levels, which the Government of Canada signed on to both at the 2009 G8 summit and through the Copenhagen Accord.

- Goal 1 also includes reference to the “unavoidable impacts” of climate change, but Target 1.1 covers only mitigation. A full response to Goal 1 would require setting a second target for adaptation to the “unavoidable impacts” referred to in Goal 1. (At present, adaptation receives only passing mention in some of the implementation strategies for Target 1.1.)
- As written, Target 1.1 is very likely insufficient to represent Canada’s fair share of meeting Goal 1. In the final version of the strategy, the Government of Canada should explain the link between Target 1.1 and Goal 1, and how Target 1.1 can be considered an adequate contribution to the achievement of Goal 1.
- The most straightforward response to Target 1.1 would be to develop a comprehensive national emission reduction plan that includes a series of quantified policies designed to reduce GHG emissions adequately to achieve the target. However, “develop, publish and implement an ensemble of policies demonstrably capable of meeting the target” is not among the implementation strategies associated with Target 1.1. This is a fundamental omission.
- 1.1.1.2 includes the strategy of “develop harmonized climate change strategies with the United States.” However, this could well result in Canada not meeting its own targets. This strategy should therefore (at a minimum) be strengthened by the addition of the words “while ensuring that Canada meets Target 1.1.”
- Two of the implementation strategies for vehicle emissions are potentially contradictory:
  - “Develop greenhouse gas (GHG) emission regulations for new cars and light trucks” [...] and
  - “Continue to support MOU between the Government of Canada and the auto industry respecting GHG emissions.”

At a minimum, the Government of Canada should explain the relationship between the voluntary MOU and the proposed emission regulations.

- 1.1.2.1 lists six “ecoEnergy” initiatives, and 1.1.3.2 lists two others. It is our understanding that these programs are only funded until the end of fiscal year 2010–11, and were not renewed in Budget 2010. The final version of the strategy should clarify whether these initiatives are indeed only expected to be in place during the first year of this three-year strategy.
- 1.1.4.2’s United Nations section lists Environment Canada’s responsibilities as participating in the international climate negotiations, respecting the international registry and financial obligations. While DFAIT and NRCan also have more limited responsibilities listed, none of the three departments is given responsibility for reducing GHG emissions to achieve Canada’s targets under global climate agreements. In other words, no department is responsible for taking remedial action should it become apparent that Canada is not on track to meet its GHG targets. This is a very significant omission in a sector entitled “Climate Change Mitigation,” and it should be remedied in the final version of the strategy.

## Section 4: Selected other goals, targets and implementation strategies included in Annex I

- 3.2.1.1 (Enabling Capacity) would be enhanced by the addition of a strategy to increase knowledge within the agriculture sector of the use of market and non-market environmental policy instruments.
- 3.2.1.3 (Demanding Performance) would be enhanced by the addition of a strategy that requires the federal government to work in collaboration with provincial governments to support the development of Environmental Farm Plans as a cross-compliance mechanism for eligibility under the federal Agricultural Income Support Program.
- The achievement of Target 4.1 would be enhanced by the addition of a strategy that requires the federal government to work in collaboration with provincial governments to establish minimum in-stream flow needs for all Class 1, 2 and 3 streams and rivers in Canada, in order to respect the ecological limits of water quality, water quantity, and overall ecological health.
- The achievement of Target 6.1 would be enhanced by the addition of a strategy that requires the federal government to begin a dialogue with provincial and municipal counterparts that would focus on the curtailing of urban sprawl into highly valuable natural heritage areas.
- The achievement of Target 7.2 would be enhanced by the addition of a strategy that requires the federal government to work with its provincial counterparts on a strategy to address the uneconomic use of forest resources (i.e., a strategy to relieve forest industry players of sections of existing forest management areas that are too costly to operate. These areas would then form a network of non-working landscape for ecosystem service provisioning.)
- Targets 8.1, 8.2, 8.3 and 8.4 are not in fact targets, but are targets to set targets. These should be replaced with numerical targets in the final version of the strategy. (It is important to recall that “target” is defined in the Act as being “a measurable objective.”)