

Launching Sector Sustainability Tables:

Discussion Paper

The intent of this paper is to provide an overview of the Sector Sustainability Table concept and an update on the process being undertaken to establish these Tables.

Over the last year, the Government of Canada has worked with key stakeholders to examine its overall approach to environmental management and concluded that Canada requires a new approach.

The imperative for this new approach is being driven by two key trends – the globalization of economic and environmental concerns; and an increasing awareness of the economic and health impacts of environmental damage. These trends are leading to the emergence of environmental sustainability as a key driver of competitiveness.

Evidence of this transformation can be seen throughout our society. For example, citizens are increasingly demanding action to protect the environment, and consumers are putting pressure on business to respond to their environmental choices. Investors are demanding disclosure from firms to assess environmental risks. Leading firms are responding to these market pressures, and are seeing benefits to their bottom lines.

Governments are also responding to the transformation. Leading industrialized countries such as the United States, Germany, Japan and the United Kingdom understand that sustainability and environmental issues must be integrated into economic decision-making. These countries are developing their plans for a sustainable economy, and they are sharing their visions in international fora, such as the G-8.

In response to this global movement, the Government of Canada has developed a Competitiveness and Environmental Sustainability Framework (CESF) which seeks to better align environmental and economic signals.

The vision of the CESF is to **attain the highest level of environmental quality**, as a means to enhance the health and well-being of Canadians, preserve our natural environment, and advance our long-term competitiveness – improving Canadians' quality of life.

Realizing this vision will require important changes to how we manage our environment. To improve Canada's environmental performance, we will need to:

- Take collaborative approaches to align environmental and economic signals;
- Recognize business realities in making environmental policy decisions;

- Take a comprehensive approach by integrating priorities and focusing on achieving long-term environmental outcomes;
- Provide greater predictability;
- Emphasize “single-window” approaches;
- Focus on outcomes; and
- Use a broader range of policy tools to align economic and environmental decisions, create a level playing field to drive compliance, and reward industry leaders.

The Government of Canada is committed to fundamentally re-shaping its approach to environmental management to achieve this vision. Last year, the Ad Hoc Committee of Cabinet on Sustainability and the Environment endorsed the Framework and the Government of Canada committed in the October 2004 Speech from the Throne to “work with its partners to build sustainable development systematically into decision-making.”

In addition, the Government is putting in place the structures needed to deliver on this vision. In the last year, the Government has established a new Ad Hoc Committee of Cabinet on Sustainability and the Environment and a new Deputy Minister Policy Committee on Environment and Sustainability. For its part, EC has also developed a new departmental structure.

Implementing this framework will require that the Government better informs its policy making, using a wide range of stakeholder views and expert knowledge that exists outside of governments. Doing so means government transforming the way in which it works with stakeholders. A key mechanism being developed to implement this transformation will be Sector Sustainability Tables.

Sector Sustainability Tables

In a major policy speech last fall, the Minister of the Environment, the Honourable Stéphane Dion, announced the CESF, including a new approach to inform policy development – Sector Sustainability Tables (SSTs). SSTs are to be permanent multi-stakeholder tables representing an individual sector’s full value-chain and a range of key stakeholder views.

The purpose of the Sector Sustainability Tables will be to provide well informed advice on *how* best to attain the highest level of environmental quality, as a means to enhance the health and well-being of Canadians, preserve our natural environment, and advance our long-term competitiveness – improving Canadians’ quality of life.

Ultimately, the Tables will be about action - action that leads to both short- and long-term results.

SSTs hold promise for a number of reasons:

SSTs will enable open and transparent discussions between all parties. As a permanent forum, SSTs will be well positioned to respond to emerging issues in science, technology and global markets in preparing policy recommendations informed by the expertise of a broad range of knowledgeable, leading-edge stakeholders.

SSTs will better inform the actions of the Minister of Environment, and the Government of Canada more broadly, as well as other participating governments and stakeholders. This need was highlighted in climate change discussions over the last few years, when it became clear that the government and industry needed to improve their understanding of each other's realities. The Tables will help increase this understanding and will have real influence – with the potential to inform the priorities, decisions, and actions of all stakeholders – in particular, governments.

SSTs will deliver a smart regulations approach. The work of the External Advisory Committee on Smart Regulations has demonstrated the need to modernize regulation to enhance conditions for an innovative economy while finding improved ways to meet high standards of social and environmental protection. Industry representatives have made the case that the time is right for a new approach to regulation making and that SSTs hold that promise. SSTs will establish a mechanism for continuous improvement and renewal of the regulatory system.

SSTs will identify shared priorities for action. In the short term, the Government believes it makes sense to focus on a small number of shared priorities and to achieve tangible progress on those priorities. The Tables will help identify those shared priorities and develop recommendations that encourage immediate actions that are pragmatic and outcome-focused.

SSTs will be an important vehicle for informing and achieving long-term environmental objectives, in a way that strengthens competitiveness. Over time, the Tables will increasingly focus on spurring long-term transformative change in key industrial sectors. The Government will work with the Tables to establish a set of comprehensive and ambitious long-term environmental outcomes. These outcomes will set a broad, overall policy direction. The Government will need to work with the Tables to develop measurable, time-bound targets for the sectors to achieve meaningful progress towards those long-term objectives, in a manner consistent with the framework's vision.

SSTs will apply the principles of smart regulation for environmental sustainability. SSTs will embody the 3 characteristics of smart regulations by supporting:

- The creation of social, economic and environmental benefits: SSTs will inform policy decisions to ensure that better environmental results are achieved in a manner that considers business realities and promotes economic competitiveness;
- The improvement of the regulatory system to focus on continuous improvement and renewal: as an on-going forum, SSTs will be well positioned to respond to emerging issues in science, technology and global markets in preparing policy recommendations, informed by the knowledge and expertise of a broad range of informed, leading-edge stakeholders.
- The development of regulations and other outcome-oriented agreements in a collaborative manner: SSTs will create a collaborative mechanism to inform policy decisions and actions by bringing together participating governments, industry, non-governmental organizations and Aboriginal representatives to consider how best to achieve environmental objectives.

Designing Sector Sustainability Tables

To begin the process of designing and establishing SSTs, the Clerk of the Privy Council has named co-chairs for four Tables:

Forestry Sector Sustainability Table:

- **Russell J. Horner**, President and Chief Executive Officer, NorskeCanada
- **Mark Carney**, Senior Associate Deputy Minister, Finance Canada

Mining Sector Sustainability Table:

- **Richard Ross**, Chairman and CEO, Inmet Mining Corporation
- **Alan Nymark**, Deputy Minister, Human Resources and Skills Development Canada

Chemicals Sector Sustainability Table:

- **Steve Griffiths**, Vice-President and General Manager, Imperial Oil Limited
- **Suzanne Hurtubise**, Deputy Minister, Industry Canada

Energy Sector Sustainability Table:

- **Gerry Protti**, Executive Vice-President, EnCana Corporation
- **Larry Murray**, Deputy Minister, Fisheries and Oceans Canada

To support the work of these four industry-specific SSTs, a **Cross-Cutting Issues Table** (CCIT) will be established.

It is proposed that the CCIT will look at issues that impact on multiple sectors. Therefore, the agenda for this table will be derived from those issues that overlap across the various SSTs. For example, if more than one of the SSTs wants to look at similar water-related issues for their sector, they may ask the CCIT to look at the issue.

The CCIT would focus on developing broad **frameworks** on horizontal issues. These frameworks could provide some policy coherence across sectors and could guide the work of the individual SSTs on horizontal issues. The CCIT could provide the proposed frameworks to the SSTs to “test” them and determine how – and if – they work in the specific sectors.

The CCIT would be chaired by:

- **A leading representative of other interested parties** (TBD)
- **Samy Watson**, Deputy Minister, Environment Canada
- **Morris Rosenberg**, Deputy Minister, Health Canada

The membership of the CCIT would consist of:

- The co-chairs of each of the SSTs
- A representative group from the membership of the SSTs
- Other expert individuals, as necessary

The SST co-chairs have been tasked with setting up a design team to formally establish their Tables. The design teams are charged with developing a “terms of reference” for each Table, which could include:

- the mandate of the Table;
- its scope and initial priorities;
- its operating principles and rules;

- its membership; and
- its structure, including working groups.

In doing so, the co-chairs and their design teams will be hearing and considering suggestions from a range of stakeholders, including industry, environmental NGOs, Aboriginal Peoples, and others.

Some of this **initial thinking** has led to the following “**draft discussion documents**” around designing key components of the Tables (which will need to be finalized once the individual Tables are established with full membership) covering the following issues. As the design teams meet, they will work towards finalizing their approach to these key issues:

- The role of SSTs and Working Groups – including how the Table will set its priorities and make recommendations for both short and long-term actions;
- The role of the co-chairs – including facilitating and coordinating the work of the Table, setting the agenda with input from table members, and, after a pre-established timeframe for discussion, referring SST recommendations to the DM Policy Committee on the Environment and Sustainability, noting any dissenting views;
- The tenure of the co-chairs – whether the position should be time-limited;
- The role of individual members – including their ability to reflect the views of their constituencies and the expectation that they will bring knowledge, expertise and perspective to the Table, but not necessarily carry the position of their organization or constituency;
- The role of Working Groups – including who will chair Working Groups and how the SSTs would establish and task Working Groups, consisting of appropriate sector experts, to investigate issues or priorities identified or to provide recommendations;
- The role of Government of Canada SST Members – as representatives of the Government of Canada – not their individual departments or portfolios – including the expectation that federal representatives will arrive at the Table with an integrated Government of Canada view, and will be responsible for ensuring that appropriate action is taken within the Government of Canada on Table recommendations;
- Operating principles – to guide the table processes and members’ conduct;

- The criteria for membership – to ensure that the appropriate individuals are chosen as SST members;
- The distribution of membership – to appropriately reflect the interests of all stakeholders representing the full value chain of the sector so as to take a comprehensive approach to sustainability issues, including engaging the Canadian Environmental Network, the Canadian Labour Congress and Aboriginal Peoples in selecting members; and
- Reporting requirements – to ensure that the SST process remains open, transparent, and focused on results.

Progress in Launching Sector Sustainability Tables

Progress has been made towards establishing the Tables. The formal design processes for the Tables is expected to begin in August 2005, with the Tables meeting formally for the first time this Fall. The Clerk has also indicated a desire to take stock of progress with the co-chairs in early 2006.

Government of Canada Support for Sector Sustainability Tables

The Government of Canada is committed to this process and will provide ongoing support to the SSTs. The Government is putting in place a number of structures and processes to ensure that federal representatives are prepared to participate in SST discussions.

To ensure the appropriate level of participation at the SSTs is attained, the Government will be providing funding to Aboriginal Peoples and non-governmental organizations.

To support the work of these Tables, Environment Canada has reallocated \$4 million to establish an SST Secretariat that will provide neutral support to the Tables, their co-chairs, and their working groups. The Secretariat will be staffed by employees from across the federal government and individuals from other governments and stakeholder groups. Secretariat assignments for Aboriginal Peoples and non-governmental organizations will be facilitated and funded by the Government of Canada. Industry representatives will be provided with the opportunity to second staff.

The key role of the SST Secretariat will be to provide organizational and logistical support to the Tables and their Working Groups. The SST Secretariat will be present at SST and Working Group meetings to facilitate their work and to action any requests for support. Functions that the Secretariat will perform include:

- Meeting organization and attendance (facilities, technology requirements, document preparation and distribution, travel, workflow management, minutes/reporting, etc.);
- Budgeting and communications related to the work of the Tables;
- Tracking Table performance (meeting timelines, major milestones, reports, etc.); and
- Scoping, tasking out, and tracking to ensure the timely and complete delivery of research and analysis requested by the Tables and their working groups.

Next Steps

Beyond the design process, the Government of Canada will be taking steps to ensure that these tables operate in an open and transparent manner. As such, the Secretariat will be establishing a public website where all meeting agendas, recommendations and reports on progress will be posted on an ongoing basis.