

Cabinet Decision Document

“ OPEN CABINET DOCUMENT”

MINISTER:

The Honourable Stan Hagen, Ministry of Sustainable Resource Management

DATE:

May 21, 2002

TITLE:

Sustainability Principles for Resource Management in British Columbia

ISSUE:

The purpose of this submission is to brief Cabinet on the development and application of sustainability principles to significant resource management decisions in British Columbia and to seek approval to initiate a supporting public consultation program.

Sustainability is an idea that is gaining acceptance throughout society. Jurisdictions that practice sustainability have found it an effective governance tool to achieve key public interest goals. Specifically, the principles are intended to:

- ◆ help ensure a competitive advantage for BC natural resources in the international marketplace;
- ◆ assist in the economic transition toward a more diverse provincial economy;
- ◆ encourage sustainable resource development in the Province by providing high level analysis and validation for government decisions regarding natural resources;
- ◆ ensure that economic, social and environmental considerations are incorporated into major resource policies and legislative initiatives; and
- ◆ ensure that resource development is conducted in a manner that sustains the long-term integrity of ecosystems.

The sustainability principles support the government's *New Era* commitments of:

- ◆ adopting a scientifically-based, principled approach to resource management that ensures sustainability, accountability and responsibility;
- ◆ reducing red tape and regulatory burden by 1/3 within three years;
- ◆ increasing access to Crown lands and resources to create jobs in tourism, mining, forestry, farming, ranching and oil and gas; and
- ◆ eliminating the backlog and delays in Crown land applications, which have cost over \$1 billion and 20,000 jobs.

The principles also support:

- ◆ a more consistent approach to governance by increasing horizontal integration and co-operation among resource ministries;
- ◆ government's goal of achieving "*Safe, Healthy Communities and a Sustainable Environment*" as outlined in the government's 2002/03 – 2004/05 Strategic Plan. Specifically the objective that "*British Columbia will have sustainable natural resources*";
- ◆ the Premier's direction to Ministers to support economic development without compromising the environment;
- ◆ increasing First Nations involvement in the key land use plans and the economic development of natural resources; and
- ◆ the goals and strategies set out in MSRM's 2002/03-2004/05 Service Plan.

RECOMMENDATIONS:

1. Approve the proposed sustainability principles for consultation with relevant interest groups and the public (May-August 2002). A discussion paper will be prepared for this purpose.
2. Apply the draft sustainability principles to key government resource management initiatives such as aquaculture, the 'Working Forest' initiative and land use plans to test their appropriateness.
3. Seek final Cabinet approval of the sustainability principles in Fall 2002 following an analysis of their appropriateness and feedback from the consultation process.

BACKGROUND:

Sustainability: A Global Perspective

Sustainability is a concept that has numerous and sometimes conflicting definitions. There are continuing debates about the approaches, techniques and processes needed for its practical implementation. However, with the 1987 publication of the World Commission (Brundtland Commission) Report, entitled *Our Common Future*, the concept of sustainable development has been firmly established as a priority in a number of leading international jurisdictions including Oregon, New Jersey, Minnesota, Sweden, the Netherlands and New Zealand. The Brundtland Commission defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability has also been said to be a journey and process more than a specific destination.

Private Sector Experience

A number of sustainability initiatives are being undertaken by organizations outside of government. Chief among these is the current trend towards the use of sustainability reporting by private corporations. Corporate sustainability reports or "*triple bottom line*" reporting consider a company's economic, social and environmental performance. This form of reporting has proven effective in attracting increased investment, protecting established markets, building a more integrated management vision, informing and motivating employees and demonstrating public accountability.

Currently, about half of the *Global Fortune 100* companies practice sustainability. According to a recent study¹, Canada is in the middle of the international pack. Approximately one-quarter of the largest 100 Canadian companies by revenue use some form of public sustainability reporting. Out of 57 Canadian companies examined, the report identified the following BC companies as receiving some of the highest scores for sustainability reporting – BC Hydro, Placer Dome and VanCity Savings and Credit Union.

Federal Government’s Approach to Sustainability

In response to the Brundtland Commission, the *Earth Summit* in 1992 and other international developments, the Canadian Council of Resources and Environment Ministers established a National Task Force on Environment and Economy. The council also recommended that all provinces create provincial Round Tables on Economy and Environment to advance sustainability thought and practice. In 1998, the federal government amended the *Auditor General Act* to establish the *Commissioner of the Environment and Sustainable Development*. A key part of the commissioner’s mandate is to make the federal government more accountable for sustainable policies, operations and programs.

British Columbia’s Past Experience

Since the late 1980's British Columbia has accumulated a wealth of experience on sustainability. This work has provided an important context for developing the principles. Past provincial sustainability initiatives that the Province has led or participated in include the BC Roundtable on the Environment and the Economy, the Commission on Resources and Environment, strategic land use planning processes, the Georgia Basin Ecosystem Initiative and the Fraser Basin Council. Despite these initiatives, sustainability has not been well integrated into major government decision-making. The decline of our traditional resource sectors and the corresponding negative impact on resource communities suggests that the application of 'sustainability' requires further refinement. The sustainability principles seek to be part of this refinement by providing a practical context for decision analysis without micro-managing our resource economy.

Link to Government’s 2002/03 - 2004/05 Strategic Plan

The sustainability principles build upon and support the goals set out in the government’s strategic plan for:

1. A strong and vibrant provincial economy;
2. A supportive social infrastructure; and
3. Safe, healthy communities and a sustainable environment.

It is important to note that a vital economy is the cornerstone to having a strong environment. A prosperous economy creates the wealth and innovation required to sustain the environment and provide a supportive social infrastructure. In turn, the long-term growth in the provincial economy is dependent on sustaining key eco-systems and meeting market expectations for certification of resource-based products.

¹“*Stepping Forward – Corporate Sustainability Reporting in Canada*” – Stratos Inc., November 2001 – ISBN 0-9689895-0-0

In developing the principles, MSRM established a fourth goal called “Sound Governance”. This goal, which forms part of the ministry’s service plan, supports the “innovation, enterprising, results-oriented and accountable themes” identified in government’s strategic plan. Sound governance will help ensure the integration of economic, environmental and social values into all levels of decision-making. Recent thinking in the field of sustainability suggests that the way in which governments organise themselves and make decisions is just as important as each of the economic, ecological and social legs of the “sustainability stool”. In fact, many people feel that governance approaches underpin the successful implementation of sustainability.

Where the government’s strategic plan sets out a broad agenda of change to integrate economic, social and environmental goals, the sustainability principles focus more narrowly on resource management. There is a need, therefore, to ensure that the application of the principles can be linked to the overall social agenda of government.

Mandate of Ministry of Sustainable Resource Management

The creation of the Ministry of Sustainable Resource Management demonstrates the government’s commitment to sustainability. The ministry is the primary provincial agency responsible for land-use planning and developing strategic policies to support the sustainable development of natural resources. MSRM is tasked with maintaining a balance between economic development and environmental integrity. This task is critically important to British Columbia’s ability to attract private investment, to ensure global competitiveness of our resource-based industries and to stimulating sustainable economic development.

Much of British Columbia’s wealth is based on a rich endowment of natural resources. Resource development has improved British Columbians’ quality of life by providing wealth to enhance community and individual well-being, maintaining and improving education and health care and protecting the environment. Economic development, social well-being and ecological integrity should, therefore, be considered interdependent and mutually reinforcing components of sustainable resource management in British Columbia.

Government has a number of forthcoming initiatives to improve natural resource management in the province. These initiatives are well detailed in the *New Era* document and in ministry service plans. Successful implementation of these initiatives rests on a number of factors including public acceptance and market endorsement. The sustainability principles can assist in both policy analysis and the ongoing commitment to improve the province’s management of natural resources.

Sustainability Principles

The *Sustainability Principles for Resource Management in British Columbia* are set out in Appendix 1. These principles would supplement the core values contained in the government’s Strategic Plan. Initially the principles are intended to apply to Crown land and resource policies only. Crown land amounts to 92% of the provincial land base. However, the principles could be applied on a voluntary basis to other resource activities. Over time, the principles could also be extended and modified to include broader social and economic policies and programs.

The sustainability principles are not designed to create another layer of decision-making or bureaucracy. Rather, they seek to improve horizontal integration and co-ordination of sustainable resource management issues and decisions across government. The sustainability principles are intended to be applied to significant policy and legislative initiatives rather than operational decisions.

For example, it is proposed that the sustainability principles be applied to key resource management decisions and announcements such as:

- aquaculture;
- land use plans; and
- discussion papers on the working forest and resource use planning.

By way of example, Appendix 2 summarizes how the sustainability principles are being applied to current decisions concerning salmon aquaculture and how these decisions support the goals set out in government's strategic plan.

Cabinet may direct that the sustainability principles be applied to other initiatives.

FISCAL MANAGEMENT CONSIDERATIONS:

The direct costs associated with implementing the sustainability principles are minimal and can be absorbed from within the ministry's base budget.

It is important to note that the principles are intended to aid decision-making, improve the context for existing government policy of implementing science-based decision-making and provide long-term benefits to British Columbians.

OPTIONS:

Option #1 – Do not approve the sustainability principles and require more discussions internally

Option #2 – Approve the sustainability principles for initial application and consultation

Option 2 is the recommended option

SIGNIFICANT IMPLICATIONS:

LEGISLATION REQUIRED:

This submission does not require any supporting legislation and does not have any legal or constitutional implications. However, in the future MSRMs may, in consultation with other resource ministries, bring forward legislative proposals to incorporate the use of the sustainability principles.

CONSULTATIONS:

Public Consultation

To date there has been no substantive public consultation on the sustainability principles. This submission seeks approval to undertake a consultation program that might include:

- developing a discussion paper describing the context for applying the sustainability principles;
- holding a series of information sessions with representatives from the resource sector, academic, social, environmental groups, local governments, federal government and First Nation representatives;
- seeking support from key opinion-makers on the principles;
- creating a ministry Website to obtain public input;
- hosting a workshop entitled “*Governance for Sustainability*” in June to showcase the Province’s work to date on sustainable resource management and to share information on sustainability practices with leading jurisdictions and practitioners from across North America; and
- involvement in the Fraser Basin Council's "State of the Fraser Basin" conference in January 2003; and

Inter-Ministry, Inter-Agency and Inter-Governmental Consultations

Extensive consultations have taken place within government on the development of the proposed sustainability principles. In July 2001, the Deputy Ministers Committee on Natural Resources and the Economy (DMCNRE) directed MSRM to develop a set of sustainability principles. A cross-ministry senior management steering committee and working group were established to oversee their development.

The sustainability principles have been discussed at meetings including senior managers from resource agencies, DMCNRE, the Deputy Ministers Committee on Health, Communities and Safety and the Deputy Ministers Council.

Communication Issues

The ministry is developing a communication strategy that will support the consultation activities identified above.

RECOMMENDED DECISION:

1. Approve the proposed sustainability principles for consultation with relevant interest groups and the public (May-August 2002). A discussion paper will be prepared for this purpose.
2. Apply the draft sustainability principles to key government resource management initiatives such as aquaculture, the 'Working Forest' initiative and land use plans to test their appropriateness.
3. Seek final Cabinet approval of the sustainability principles later in 2002 following an analysis of their appropriateness and feedback from the consultation process.

SIGNATURE:

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Appendix 1

Sustainability Principles For Resource Management in British Columbia

VISION

To optimize economic development of the province's natural resources, protect ecosystem integrity and enhance community well-being for all British Columbians, now and in the future

GOALS

A strong, competitive and vibrant provincial economy

A supportive social infrastructure

Safe, healthy communities and a sustainable environment

Sound Governance

SUSTAINABILITY PRINCIPLES

Integration – Ensuring that resource management decisions integrate economic, environmental and social considerations for the benefit of present and future generations.

Accountability – Setting performance-based standards and indicators and implementing mechanisms for compliance, auditing and reporting on progress towards sustainable resource management. An effective enforcement regime is a key part of accountability.

Efficiency – Maximizing the net benefits arising from the allocation, development and use of natural resources.

Transparency – Establishing open and understandable decision-making processes including consulting with key interests prior to making decisions. Transparency also includes the public release of monitoring and compliance records, and tracking of sustainability indicators.

Science-based decision making - Making justifiable decisions informed by science-based information and risk assessment.

Innovation – Encouraging innovative approaches technologies and skills to ensure the sustainability of natural resources.

Continual Improvement – Learning from the past and looking for new and improved approaches to resource management.

Shared Responsibility – Encouraging co-operation among First Nations; federal, provincial and local governments; industry and non-governmental organizations in developing and implementing resource management policies.

Competitiveness – Ensuring that British Columbia remains internationally competitive by removing barriers to investment and promoting open trade.

Certainty - Making timely and clear resource management decisions within a predictable and understandable regulatory framework.

Appendix 2

Sample Application of the Sustainability Principles

This table demonstrates how the sustainability principles are being applied to decisions concerning salmon aquaculture

Integration

- Increased co-ordination among Ministry of Agriculture, Food and Fisheries (MAFF), the Ministry of Water, Land and Air Protection (MWLAP), Land and Water British Columbia (LWBC) and MSRM
- Lifting of the fish farm moratorium will increase economic opportunity for the coast.
- Strict environmental standards will protect major marine ecosystems and coastal economies will be diversified

Shared Responsibility

- New joint ventures with First Nations
- New Industry/Government Code of Practice

Accountability

- Compliance and enforcement agreement (MAFF, WLAP, LWBC, MSRM) to ensure independent enforcement of all regulations

Efficiency

- MAFF lead resource agency - LWBC to issue tenures within 140 days of receiving completed application
- Joint application process with the federal Department of Fisheries and Oceans

Transparency

- Public review of tenure applications within a clear decision-making process
- Public Reporting of all compliance monitoring

Science-Based Decision-Making

- UBC Centre for Aquaculture and the Environment to undertake new research
- Funding to improve scientific understanding of fish health, escapes and waste reduction

Innovation

- Closed pen pilot project on Saltsping Island
- Waste regulation designed to improve technological performance

Continual Improvement

- Monitoring standards for waste management and fish escapes
- Review environmental standards in five years based on new science and environmental monitoring

Competitiveness

- Ensuring that BC remains globally competitive through efficient and fair access to Crown land and effective environmental protection regulations

Certainty

- Business operators and investors can rely on clear and timely decisions taking place within a predictable and understandable regulatory framework

Appendix 2 (continued)

Sample Application of the Sustainability Principles

This table demonstrates how the sustainability principles as applied to decisions concerning salmon aquaculture support goals set out government's strategic plan.

A Strong And Vibrant Provincial Economy

- Increased growth in sector
- Increased market share
- Increased investor confidence
- Stronger rural economic growth
- Increase development/use of new technologies

A Supportive Social Infrastructure

- Increased growth and diversification in Coastal Communities
- Increased First Nations benefits

Safe, Healthy Communities and a Sustainable Environment

- Improved environmental quality through new comprehensive regulations and enforcement
- Improved economic viability of communities

Sound Governance

- Outcomes-based regulatory framework
- Effective relations with other jurisdictions
- Effective compliance and enforcement
- Public reporting
- Harmonization with federal and local governments