



Environmental Performance Agreements (EPAs)

John de Gonzague, (819) 953-1475
National Office of Pollution Prevention, Environment Canada

Background



- **1997 - New Directions Group prepares report presenting essential elements for effective voluntary initiatives**
- **1999 - Commissioner of the Environment and Sustainable Development identifies the shortcomings of department's approach to non-legislative agreements**
- **Commissioner recommends a more rigorous policy**
- **Minister approves Policy Framework for implementation - June 2001**
- **Final *Policy Framework* posted on the Internet in December 2001**


Definition

An Environmental Performance Agreement (EPA) is an agreement with core design criteria negotiated among parties to achieve specified environmental results

- **May be negotiated with a single company, multiple companies, regional industry association, a sector association or a number of sector associations**
- **Other government agencies and third parties (non-government organizations) may also be parties to such agreements**



Role of EPAs

- 
- **Due to their flexibility, EPAs can address a wide variety of environmental issues affecting human health and the environment**
 - **EPAs will not replace the regulatory framework**
 - **EPAs represent an additional tool that Environment Canada (EC) can use to achieve its environmental protection mandate**

Environment Canada's Role

➤ **EC will support EPAs by:**

❖ **Determining when to use EPAs**

- ❁ **Cost-effectiveness**
- ❁ **Supportive policy & regulatory framework**
- ❁ **Capacity of participants**
- ❁ **Appropriateness**

❖ **Providing scientific & technical expertise**

❖ **Providing incentives to support industry action**

- ❁ **Statutory discretion**
- ❁ **Recognition**
- ❁ **Technical assistance**
- ❁ **Economic instruments**

❖ **Monitoring performance**

❖ **Dealing with non-performance**




Implementation Strategy

➤ **Implementation strategy is being drafted to outline the roles & responsibilities of the parties involved**

- ❖ **Initiating an EPA**
- ❖ **Negotiation**
- ❖ **Review Process**
- ❖ **Signing**
- ❖ **Implementation of EPAs**
- ❖ **Monitoring**
- ❖ **Reporting Out to the Public**



Initiating an EPA

- 
- **Anyone, either within or outside government, could propose the development of an EPA**
 - **When determining whether to use an EPA, EC will consider four essential principles**
 - ❖ **Effectiveness**
 - ❖ **Credibility**
 - ❖ **Transparency and accountability**
 - ❖ **Efficiency**
 - **To ensure that these principles are embedded in EPAs, EC will require that specified design criteria are met**


Negotiating an EPA

➤ ***Policy Framework*** includes core design criteria that will be negotiated before EC enters into an agreement with industry

- ❖ Senior-level commitment from participants
- ❖ Clear environmental objectives & measurable results
- ❖ Clearly defined roles & responsibilities
- ❖ Provision for public consultation
- ❖ Public reporting
- ❖ Verification of results
- ❖ Incentives & consequences
- ❖ Continual improvement



Review Process

- 
- **All draft agreements must be reviewed by staff of NOPP to confirm that core design criteria have been addressed**
 - **Ideally, review will be an ongoing function**
 - **Timeline for review should allow for reviews by EC Legal Counsel and public consultation**

Signing



- **Senior-level commitment is expected from all parties participating in an EPA**
- **EC signatory to an agreement will depend on the nature of the agreement (should be ADM, RDG level or higher)**

Implementation of EPAs



- **Responsibility of company signatories to implement measures to ensure targets and timelines are met**
- **Responsibility of other signatories to ensure that commitments have been met**

Monitoring

- **Progress towards commitments must be monitored**
- **EC will develop protocols with the signatories specifying the details of monitoring**
- **If EPA is addressing pollutant releases, EC will rely as much as possible on the protocols developed under the NPRI**




Reporting Out to the Public




- **Public reporting on performance is necessary to make an EPA transparent and credible**
- **Reporting out will be undertaken annually, at a minimum**

Current Status

- 
- **Website has been created to house the *Policy Framework***
 - **Four draft EPAs/MOUs have been reviewed against design criteria**
 - **Tracking table for current and potential EPAs being developed**
 - ❖ **3 signed EPAs/MOUs**
 - ❖ **1 draft EPA**
 - ❖ **several potential EPAs under consideration**
 - **Implementation strategy being finalized**
 - **Work on Guidelines for the preparation of EPAs has been initiated**

Next Steps

- 
- **To finalize implementation approach - create and implement procedures for the review, monitoring and reporting out of EPAs**
 - **To finalize guidelines for the preparation of EPAs**
 - **To finalize protocols for collection of emission data with NPRI program**
 - **To expand the EPA website to include EPAs under negotiation for consultation purposes**
 - **To expand the EPA website to include all signed EPAs**