Economic Development









Econocianada

Sustainable Development Strategy

Action Plan 2000-2003

BUSINESS OFFICES

Abitibi-Témiscamingue

(819) 825-5260 1 800 567-6451

(819) 825-3245

val-dor@dec-ced.gc.ca

Bas-Saint-Laurent

(418) 722-3282 1 800 463-9073 11 (418) 722-3285

rimouski@dec-ced.gc.ca

Centre-du-Québec

(819) 478-4664 1 800 567-1418 (819) 478-4666

drummondville@dec-ced.gc.ca

Côte-Nord

(418) 968-3426 1 800 463-1707 (418) 968-0806

sept-iles@dec-ced.gc.ca

Estrie

(819) 564-5904 1 800 567-6084 (819) 564-5912

sherbrooke@dec-ced.gc.ca

Gaspésie — Îles-de-la-Madeleine

(418) 368-5870 1 866 368-0044 (418) 368-6256 gaspe@dec-ced.gc.ca

Île-de-Montréal

(514) 283-2500 (514) 496-8310

montreal@dec-ced.gc.ca

Laval — Laurentides — Lanaudière

(450) 973-6844 | 800 430-6844 |||| (450) 973-685|

laval@dec-ced.gc.ca

Mauricie

(819) 371-5182 1 800 567-8637 (819) 371-5186

trois-rivieres@dec-ced.gc.ca

Montérégie

(450) 928-4088 I 800 284-0335 (450) 928-4097 longueuil@dec-ced.gc.ca

Nord-du-Québec

(514) 496-7609 1 800 561-0633 (514) 283-3637 nordqc@dec-ced.gc.ca

Outaouais

(819) 994-7442 1 800 561-4353 (819) 994-7846 hull@dec-ced.gc.ca

Québec — Chaudière-Appalaches

(418) 648-4826 1 800 463-5204 (418) 648-7291 quebec@dec-ced.gc.ca

Saguenay — Lac-Saint-Jean

(418) 668-3084 1 800 463-9808 (418) 668-7584 alma@dec-ced.gc.ca

Our Head Office, Montréal

(514) 283-6412 (514) 283-3302

Policy and Advocacy, Hull

(819) 997-3474 (819) 997-8519

Report published by:

Canada Economic Development Montréal (Quebec) H4Z 1E8 www.dec-ced.gc.ca

Department of Public Works and Government Services Canada

Cat. No: C90-4/63-2000

ISBN: 0-662-65376-9

Printed in Canada on recycled products and vegetal ink February 2001



Message from the Minister

In recent years, Canadians have embraced the challenges of rapid technological change, globalization, and mounting environmental pressures. By doing so, we are enjoying economic prosperity and are beginning to integrate sustainable development into the way we do business.

Canadians want a sustainable economy that ensures that the high quality of life we enjoy now will continue long into the future. Sustainable development offers a way of achieving this, by meeting the objectives of the present without compromising the ability of future generations to meet their needs. For example, industrial firms are beginning to adopt eco-efficient practices as a way to improve their economic and environmental performance. They are reducing inputs of materials and energy to lower costs while decreasing pollutant emissions.

Knowledge has become the cornerstone of economic growth, competitiveness and national prosperity. Combining our leading-edge science and technology skills and entrepreneurial spirit with environmental considerations offers opportunities for innovations which balance economic development with responsible and environmental stewardship. By bringing together key departments and agencies responsible for science and technology, connectedness, regional development, marketplace services and micro-economic policy, the Industry Portfolio plays an important role in building a knowledge-based, sustainable economy.

In tabling the second round of sustainable development strategies, Industry Canada, the Atlantic Canada Opportunities Agency, Canada Economic Development for the Quebec Regions, and Western Economic Diversification Canada along with other federal departments, build on and renew the Government of Canada's commitment toward a more sustainable economic, environmental and social future. These federal institutions remain committed to working with others to establish sound directions and specific proactive measures to build a durable and dynamic economy. The sustainable development strategies offer a solid basis for further work toward the enrichment of our lives and the legacy of an improved environment for our children.

The Honourable Brian Tobin

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Message from the Secretary of State

I am pleased to present the second Sustainable Development Strategy (SDS) of the Economic Development Agency of Canada for Quebec Regions, covering the period from 2000-2003.

The primary objective of sustainable development is to improve individual quality of life. Economic growth is one component of this development and it provides opportunities to invest in environmental protection, education, science and technology and maintenance of the health and well-being of Canadians.

Today, environmental performance has an increasing impact on the competitiveness of economies. Sustainable development involves using less energy and water, and producing less waste. Better energy performance and the prevention of pollution are effective means of improving the productivity of enterprises.

With its 2000-2003 action plan, the Agency, in cooperation with its partners, lends its support to the Quebec environmental industry, so that the industry will be better able to compete on the world market and generate jobs.

Sustainable development provides new business opportunities for enterprises in the technology and environmental services sectors.

SMEs and regions must be made aware of every aspect of sustainable development and adjust to the new environmental requirements, which change and reshape themselves from one country to another. Enterprises interested in exporting must thus make sure that they meet the environmental requirements in effect in every country targeted by their exports.

Implementation of the Agency's first Sustainable Development Strategy has shown that its activities with Quebec SMEs are producing results. The second SDS continues in the same direction and remains an ungradable process. It provides a framework for action, both with enterprises and within the Agency itself. Actions will be implemented with regard to government priorities, especially the objectives related to climate change that result from the 1997 accords at the international conference in Kyoto, Japan.

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The Honourable Martin Cauchon

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Introduction

Development of the 2000-2003 Sustainable Development Strategy

In December 1995, the *Auditor General Act* was amended, resulting in the creation of the position of Commissioner of the Environment and Sustainable Development, a sign of the importance assigned by the Government of Canada to environmental issues. The amendment was also intended to encourage departments whose activities have an impact on

Federal legislation defines sustainable development as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

sustainable development to develop and implement their own strategies in this regard. The Agency is among the designated organizations and submitted its first Sustainable Development Strategy to Parliament in December 1997.

In updating its Sustainable Development Strategy—which this time covers the period from 2000 to 2003—the Agency based itself largely on the

experience gained over the past three years, the results of the annual assessments and the audit carried out by representatives of the Commissioner of the Environment and Sustainable Development. The Agency also took into account the broad guidelines of the *Guide to Green Government* and the guidelines set out in December 1999 by the Commissioner of the Environment and Sustainable Development in the document, *Moving Up the Learning Curve. The Second Generation of Sustainable Development Strategies*.

Consultations with partners and employees and participation in many committees and interdepartmental tables and at the Leaders' Forum on Sustainable Development enabled the Agency to better identify the challenges to be met and the issues to be considered in preparing the outlines for its action plan.

The 2000-2003 action plan is based on the following principles:

- · simplicity and realism
- · Agency accomplishments
- · commitment of management
- · endorsement by staff
- incentive-based, non-coercive client approach
- consistency with strategies of other departments.

This second Sustainable Development Strategy considers the full potential of the activities the Agency can undertake with regard to sustainable development. The objectives are intended, in particular, to improve the management framework, enabling the Agency to better account for the results of the implementation of its action plan.

The second SDS, for the period 2000-2003, provides continuity by paying special attention to development of the environmental industry and the adoption by Quebec firms of management practices favourable to sustainable development.

Action Plan 2000-2003

Part I AGENCY PROFILE

Part I Agency Profile

1.1 Mandate and intervention strategy

The mandate of the Canada Economic Development for Quebec Regions is to promote the economic development of the regions of Quebec, with particular emphasis on regions where economic growth is slow or jobs are insufficient. The Agency works proactively, as part of a team, building on synergy with a number of Government of Canada departments and organizations whose activities have an impact on the economic development of the regions of Quebec.

The mandate is primarily carried out through the design and implementation of a regional development policy and appropriate programming. It is also carried out with a view to participating in the implementation of national economic development priorities, harmonization of federal activities, establishment of co-operative relations with other public and

The Agency has a head office in Montreal, a network of 14 business offices in various regions of Quebec and an office in Hull for liaison with the machinery of government.

private socio-economic stakeholders, advocacy with the machinery of the Government of Canada, promotion of federal programs and services for SMEs and economic development stakeholders and the development of knowledge and dissemination of information.

The goal of the Agency is to foster the realization and growth of the economic development potential of the regions of Quebec so as to increase long-term prosperity and employment. That is,

to enhance the competitive advantages of every region of Quebec, helping them to develop new assets so as to better seize the development opportunities related to the emergence of a knowledge-based economy, with a view to environmentally-friendly sustainable development.

The Agency concentrates its activities on four economic development issues that are, for Quebec SMEs and regions, both development opportunities to be seized and challenges to be met.

First, the *changing the world economic environment* in order to create new competitive advantages, based on knowledge and the adoption of advanced technology; respond to the need to innovate constantly and with increasing speed; participate in networks to deal with the growing complexity of technology and markets; and seize the new business opportunities resulting from market globalization and the rapid growth of the global demand for certain types of products and services.

The second issue, *participation by the community in its own development*, is expressed by the need for the community to take charge of its own development, an essential condition of success; preparing a succession for the economic development of the regions; and greater participation in business by some target groups of citizens who, in the past, were less involved in this area.

The third issue, *improving the situation in certain regions*, consists of better identifying and understanding the various local factors in question and developing appropriate strategies to adequately support development in disrupted economic regions.

Lastly, the fourth issue, *sustainable development*, consists of incorporating sustainable development, in all its many facets, into the Agency's decision-making process and using the partnership network to promote this concept to SMEs and regions.

To take action on these issues, the Agency concentrates on two main areas of activity:

• enterprise development, that is:

- · information and awareness for enterprises
- establishment of strategic enterprises
- improvement of the competitiveness of SMEs seeking to expand into foreign markets
- development of small enterprises with local and regional reach

improvement of the development environment of the regions, that is:

- improvement of the ability of the community to energize the development of its economy
- economic enhancement of regional assets
- development and strengthening of knowledge-based competitive advantages

Part I Agency Profile

1.2 Programs and services

Canada Economic Development has a set of tools to carry out its strategy.

I.2.1 IDEA-SME Program

This program is intended for a clientele made up of Quebec SMEs and the intermediary organizations that support them. IDEA-SME provides services and funds activities in the following areas of activity: innovation research and development, design; development of markets; exports; and entrepreneurship and development of the business climate.

1.2.2 Regional Strategic Initiatives Program (RSI)

This program consists of developing strategies and action plans to promote the development of a socio-economic environment that will strengthen the assets and competitive advantages of Quebec regions. These strategies are formulated in consultation with community organizations and the private sector. Plans are drawn up jointly with other federal departments and organizations whose activities have a substantial impact on regional economic development. The RSI Program supports major initiatives likely to have a growth-generating impact on the regional economy. It also provides for the regional reshaping and adjustment of national policies and programs that have an important impact on the structure of the economy of various Quebec regions.

1.2.3 Community Futures Program (CFP)

The Community Futures Program (CFP) is a national program that targets communities outside Canada's major urban centres and disadvantaged neighbourhoods in Quebec's urban centres.

The CFP provides concrete financial support for local non-profit organizations whose primary mandate is to encourage and support communities in taking charge of an effective economic development process in their own local areas. Three types of organization are supported in this way by the CFP in Quebec: the 54 Community Futures Development Corporations (CFDCs), the 16 Community Economic Development Corporations (CEDCs) and the nine Business Development Centres (BDCs).

Part II REVIEW OF FACTORS INFLUENCING THE SDS

To be in a good position to prepare its second SDS, the Agency first drew up a report on the first SDS, using the annual evaluations to which it has been subject. In addition, it took into account the report of the Commissioner of the Environment on the implementation of this first SDS, the Agency's legal obligations, the socio-economic situation in Quebec and the specific situation in the environment industry.

2.1 Report on the Sustainable Development Strategy

The Commissioner of the Environment and Sustainable Development has stated that "shared responsibility for sustainable development also means that we must each define what we are going to do towards sustainable development - and we should be prepared to be held accountable for doing our part. We have to measure whether our individual and collective actions are delivering progress towards sustainable development." The tool for implementing this strategy was the creation, in 1995, of the position of Commissioner of the Environment and Sustainable Development (CESD) at the Office of the Auditor General of Canada. At the same time, Parliament

asked 28 federal agencies and departments to develop and implement a three-year sustainable development strategy (SDS). The Agency is included on the list of organizations targeted by the federal strategy, because of the value of the economic spinoff from the environmental sector and the increasing importance of environmental management for all exporting SMEs.

The Agency launched its SDS in December 1997. The strategy includes two types of target clientele—internal and external, two approaches—awareness and enablement, and four objectives, as summarized in the diagram, right.

Reduce, re-use, recycle,

oversee the activities

The SDS of the Ca Objectives and Met	nada Economic Development hods (1997-2000)	
	Awareness	Empowerment
External clientele	Make Quebec SMEs aware of the limitations and commercial potential of sustainable development	Promote the development and marketing of the Quebec environment industry
	Access to strategic information, access to networks, access to funding	Access to strategic information, access to networks, access to funding
Internal clientele	Adjust the organizational culture to the new challenge of sustainable development and promote a com- prehensive vision of the economic, social and environmental aspects	Encourage and increase greening activities at the Agency; ensure the continuation of programming and greening activities

Structure, interest, network,

support, monitor

Overview of 1997-2000 accomplishments - External clientele

- Association with Environment Canada to develop and test the **ENVIROCLUB** concept. An Enviroclub brings together 15 manufacturing SMEs for an in-plant environmental management and pollution prevention learning program, combining cost-effectiveness with sustainable development. Based on a positive pilot project, the Agency and its partners, Environment Canada, the National Research Council of Canada (NRC) and a community intermediary, have begun implementing other Enviroclubs in various parts of Quebec.
- Support for a number of specific projects, such as the establishment in Montreal of the World Water Council's Americas office, development of a Web site at the Centre d'avancement des technologies environnementales, establishment of an environmental research and education laboratory in Sept-Îles and organization of a conference on the environmental protection industry.
- Signing of an agreement with Environment Canada, Quebec Region, providing access to scientific and technical expertise for the evaluation of development and marketing projects related to environmental technology or sustainable development.
- Financial support for **about forty projects** in the environmental industry and technological innovation testing and demonstration platforms (electric vehicles, waste material, etc.). Projects supported ranged from preliminary studies on environmentally-friendly urban management to market studies on specific technologies and the marketing of equipment and services.
- Financial participation in the Americana event in 1997 and 1999 and the Environmental Technology Fair (St-Hyacinthe) in 2000.
 SMEs participating in trade missions to Lyon in 1998 and to Vancouver and Paris in 1999 also received Agency support.

The SDS of the Canada Economic Development Objectives and Methods (1997-2000) Awareness **Empowerment** External clientele Make Quebec SMEs aware Promote the development of the limitations and commercial and marketing of the Quebec potential of sustainable environment industry development Access to strategic information, Access to strategic information, access to networks, access to access to networks, access to funding funding Internal clientele Adjust the organizational culture to Encourage and increase the new challenge of sustainable greening activities at the Agency; development and promote a comensure the continuation of prehensive vision of the economic, programming and greening social and environmental aspects activities Structure, interest, network, Reduce, re-use, recycle, support, monitor oversee the activities

Overview of 1997-2000 accomplishments - Internal clientele

- · Establishment of a sustainable development committee.
- Establishment of a variety of management mechanisms to gradually make a concern for sustainable development part of everyday operations: a heading on environmental assessment has been added to the quality system acknowledgement of receipt form letter; the Agency's information system has been improved to identify projects related to the environmental industry; regional offices must include the SDS in their business plans. In addition, the Agency recently signed a memorandum of understanding with the Canadian Environmental Assessment Agency on the environmental assessment of Aboriginal lands.
- Simplification of the cultural adjustment process through the use of the Agency's ISO 9002 QUALITY SYSTEM to make operational changes, as well as existing mechanisms and procedures, including semi-annual audits of quality system integrity.
- An awareness session on development opportunities related to sustainable development and
 the threats related to non-tariff barriers was provided for advisors. Three day-long training
 sessions were also given by the Canadian Environmental Assessment Agency.
- Regular publication in the Agency's in-house newsletter of information capsules on greening success stories. Addition of a reminder about sustainable development to documentation distributed to new employees.
- In 1998 and 1999, an external assessment of the SDS was carried out. The reports on performance and plans and priorities include an update on deployment of the SDS.
- The Agency serves on a variety of tables and committees related to the environment and sustainable development. These include the Interdepartmental Committee on Sustainable Development, sectoral and consultation tables on the greening of offices, sustainable development, climate change, development of the environmental industry and environmental assessment.

- Establishment of paper recycling programs in every office.
 Systematic use of electronic mail and the intranet and double-sided printing and photocopying aimed at reducing paper consumption.
- Start-up of multi-product recycling program in three offices, including Head Office, where the Agency hopes to create a motivational effect on other Stock Exchange Tower tenants.
- Revision of the Agency's procurement process so as to include concerns related to sustainable development.
- New equipment maintenance program to prolong useful life.
- The Agency has begun to equip new vehicles (2/18) with hybrid engines.

The SDS of the Canada Economic Development Objectives and Methods (1997-2000)

	Awareness	Empowerment
External clientele	Make Quebec SMEs aware of the limitations and commercial potential of sustainable development	Promote the development and marketing of the Quebec environment industry
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Internal clientele	Adjust the organizational culture to the new challenge of sustainable development and promote a comprehensive vision of the economic, social and environmental aspects	Encourage and increase greening activities at the Agency; ensure the continuation of programming and greening activities
	Structure, interest, network, support, monitor	Reduce, re-use, recycle, oversee the activities

Lessons of the past three years

Through its participation in a variety of activities, the Agency has gained a clear understanding of the importance of its activities with SMEs. The two implementation assessments (1998 and 1999) have focussed considerable light on the importance of planning and accountability.

It is important to establish planning, responsibility and accountability mechanisms that make it easier to implement the strategy. In the second half of the 1997 SDS implementation period, the Agency significantly improved its performance in this regard.

The ultimate objective of setting sustainable development as a government priority is to make the economic, environmental and social aspects of sustainable development part of the decision-making process in the operational and strategic management of organizations and departments. Sustainable development must have a value that is as obvious and inescapable as that of effectiveness and efficiency. So far, reports on SDS activities have included all Agency activities logically associated with implementation of the strategy. Evaluation of the integration of sustainable development into the management culture should tackle the issue from a more comprehensive and results-oriented viewpoint.

2.2 Report of the Commissioner of the Environment and Sustainable Development

In his report of May 2000, the Commissioner of the Environment and Sustainable Development said:

"The Economic Development Agency of Canada for Quebec Regions has a highly developed management system for strategy implementation. Its general management system conforms to the ISO 9000 quality management system standard, and it has adapted that system to manage the implementation of its sustainable development strategy.

"The Agency's current practices satisfy almost 90 percent of the requirements of the ISO 14001 environmental management systems standard."

2.3 Legal obligations

In preparing its first SDS, the Agency reported on its legal obligations. It is directly subject to three specific acts with regard to the environment: the *Auditor General Act*, which results in the development of SDSs, the *Alternative Fuels Act* and the *Canadian Environmental Assessment Act*.

The Alternative Fuels Act enables Canada to exert greater control over emissions of greenhouse gases, especially carbon dioxide, by encouraging the replacement of petroleum fuel in transportation vehicles. In this context, federal organizations are expected to purchase, when cost-effective and feasible, automobiles fitted with engines that run on alternative fuels. The Agency complies with the provisions of this Act by fitting its new vehicles with hybrid motors at the time of purchase.

Since the enactment of the *Canadian Environmental Assessment Act*, the Agency has made sure that all aspects are covered by establishing an environmental assessment process and providing training for employees. These activities were strengthened when the ISO 9002 quality system was implemented.

The Agency regularly participates in national interdepartmental meetings on the environment and sustainable development, which serve to convey information on all related aspects, including legislation. The Agency is thus able to anticipate the adjustments required by upcoming changes.

2.4 Globalization context

With the liberalization of trade and investment, world economies have become increasingly interdependent.

The growth of new information and communications technologies (NICTs) has an impact not only on trade and the economy in general, but also on news media. The speed with which information travels around the world means that governments must manage new issues requiring multilateral mediation with regard, for example, to biodepletion, fears concerning the consequences of biotechnology, environmental accidents and natural disasters occurring anywhere in the world.

Sustainable development provides a comprehensive vision of the economic, social and environmental aspects. It presents a variety of challenges for countries, regions, enterprises and citizens and implies a collective and global awareness of the major problems facing our world:

- sustaining natural resources
- protecting the health of people and ecosystems complying with international obligations
- · promoting equity
- improving quality of life and well-being.

Government organizations are called upon to clarify the issues and help develop a vision that will stir people to action and give rise to joint approaches by partners.

2.5 Quebec economic context

Quebec is currently going through a transition period, characterized by market globalization, an economy focussed on knowledge and the intensification of trade. In recent years, high technology sectors related

The Agency is supporting a pilot project in Escoumins intended to help the Montagnais community develop a food fishery using the so-called trap net technique. This alternative to the gill net allows large spawners to be tagged and thrown back, thus promoting reproduction of the species and the preservation of salmon with high economic value for rivers used by

sport fishermen.

to the knowledge economy have expanded considerably, particularly in the fields of aeronautics, biotechnology, pharmaceuticals, communications equipment and multimedia.

In a new and increasingly complex and fluid economic environment, the competitiveness factors of SMEs are closely linked to their integration into networks often dominated by major corporations and lie in their ability to be open to and interact with the outside environment. SMEs must master new management methods. such as total quality, business process re-engineering, production and logistics management, knowledge management and the management of external funding and capitalization for the enterprise. In addition, they must increasingly integrate environmental issues and master the process needed to meet the new environment and sustainable development requirements of clients. This change implies making the environmental aspect part of the very basis of decision making. Integration of concerns related to the environment and sustainable development fosters

innovation and the development of new products, processes and services, such as eco-efficient products, processes that consume less energy or create less pollution and environmental services.

In responding to the environmental and social concerns of employees, clients and the general public, organizations are transforming challenges into business opportunities, building better reputations and ensuring access to new markets. The implementation of concrete measures to improve the environmental

performance of an enterprise can be a cost-effective operation that improves its productivity, as demonstrated by the results of the *Enviroclub* pilot project in Trois-Rivières.

This change in practices requires modification of structures and ways of doing things in organizations, particularly in terms of management and resource optimization, as well as development of products, technologies and processes that are more innovative and high performance from an environmental and operational standpoint. Organizations that undertake a transition to sustainable development thus require access to a wide range of expertise, the internal human resources plan and advisory and technological services in areas such as chemistry, toxicology, biotechnology, engineering, management and legal sciences.

2.6 Positioning of the environmental industry

A recent study of 707 enterprises with 100 or more employees from all sectors of activity, conducted by the *Comité sectoriel de main-d'oeuvre de*

The Agency supports the development, testing and production of bioinsecticides and biopesticides. This technology allows for the large-scale production of non-polluting micro-organisms for agricultural and forestry use. The initiative is a opportunity for the Saguenay—Lac-Saint-Jean to position itself internationally, since the insecticide and pesticide market, currently dominated by chemical products, is a source of enormous opportunity for biological products.

l'environnement¹ demonstrated that the more committed an enterprise is to environmental concerns, the more jobs it creates, both directly, within the firm and indirectly, in the industry itself. This change represents great development potential and is a major issue for the Quebec environment industry.

In addition, the study revealed that Canadian owned enterprises lag considerably behind in terms of the environment, compared to American or European owned firms. Facing increasingly demanding environmental requirements on the part of order givers and consumers, these "late bloomers" can experience problems in maintaining or occupying a strategic position on domestic and international markets. Sooner or later, Canadian enterprises must bridge the gap and catch up with their international competitors. In addition, the new standards that take environmental considerations into account are growing in importance. These standards are a major constraint for Quebec firms that want to deal with order givers who require compliance

with these standards or certification attesting to such compliance.

Based on the latest estimates, the Quebec environmental industry comprises about 800 firms whose main activity is providing goods and services for protection of the environment. The sales figures of these firms

is nearly \$2 billion. Two-thirds of them are service enterprises; execution services are the most numerous. The other third includes manufacturers and distributors.

It is estimated that environment industry firms as a whole employ 15,000 to 20,000 persons dedicated to the environment sector. These firms are modest in scale, over half of them having fewer than 10 employees assigned to the environment sector, which makes them highly vulnerable to world competition.

Many niches are emerging in the environment industry, allowing for the export marketing of specialized products and services. For example, the future global market for fuel cells that could replace traditional gas engines is evaluated at over \$100 billion annually. Quebec has assets in this field. The same is true for advanced materials and biotechnology, other sectors that will be expanding.

The Agency supports the *Montreal 2000* alternative vehicle project, intended to encourage 15 to 20 organizations with a vehicle fleet to purchase electric vehicles. Use of electric vehicles could decrease CO² emissions by over 3.8 tonnes per vehicle annually and thus help to reduce greenhouse gases.

¹ The Comité sectoriel de main-d'oeuvre de l'environnement is a non-profit organization. It is a centre for environmental human resources consulting and its areas of activity include training, job development and labour force adjustment.

2.7 Government action on sustainable development

Canada and Quebec can take advantage of certain assets that make them especially appealing, including their vast area, sparsely populated regions and beauty and purity of their natural sites.

Recognizing the importance of the environment, the Government of Canada has made a commitment to more systematically consider environmental issues in its policies, programs and activities as a whole. The goal is to strengthen the economy and make it more competitive while contributing to sustainable development and a cleaner environment.

The Agency has adopted a strategy focussed first on making SMEs aware of the limitations and commercial potential of sustainable development and on promoting the Quebec environment industry. Since adopting its strategy in December 1997, the Agency has made a substantial effort to meet its commitments. Through the dedication of its advisors and with the help of its partners, the Agency has helped to carry out a number of significant sustainable development projects (See report and boxes).

In addition, in co-operation with the interdepartmental working group on the environment industry and the ministère de l'Industrie et du Commerce du Québec (MICQ), the Agency established a consultation committee on development of the Quebec environment industry. The committee brings together the main environment industry partners, associations and support organizations. Committee members have suggested a consultation process to create a strategy for development of the Quebec environment industry. This process is intended to inform private and public stakeholders of the development factors specific to the environment industry and provide the strategic approaches to favour in support of its development. Research and consultation activities have been carried out and are continuing to contact as many of the industry's key players as possible. The Agency's active participation in this process is in line with its concern to ensure a harmonious and horizontal approach. The 2000-2003 action plan is consistent with this approach.

Lastly, by fostering increased integration of environmental issues in enterprises, the Agency is enabling its clientele to occupy a strategy position vis-à-vis its competitors.

Action Plan 2000-2003

Part III CONSULTATIONS

In the *Guide to Green Government*, consultation was identified as an essential step in helping departments define their objectives and schedules and the measures necessary to attain them.

Part III Consultations

3.1 Leaders' Forum on Sustainable Development

In an initial phase, the Agency participated in the Leaders' Forum on Sustainable Development, a first, that clearly reflected the efforts of all the departments concerned to better co-ordinate their efforts. The Forum provided senior federal government managers with an opportunity to consult the main Canadian representatives on the approach favoured by the Government of Canada with regard to sustainable development, as well as on broader issues related to sustainable development.

Overall, Forum participants recognized the difficulty of measuring performance in terms of sustainable development, while emphasizing that should not prevent them from moving forward with concrete action while improving knowledge in this regard; the need for departments to work together in seeking solutions and taking concrete action, despite the complexity of the subject; and the need for improved co-ordination among federal departments. Representatives of SMEs also expressed the need for greater support from the government to help them respond to environmental pressure.

3.2 Agency consultations

In a second phase, the Agency held its own internal and external consultation with its partners in the regions of Quebec. The report on the first SDS was used as the base document for these consultations (see report in the section entitled *Review of factors influencing the SDS* and the list of organizations consulted in the appendix). We asked our external partners to:

- Evaluate the relevance of the four areas on which the 1997-2000 action plan focussed and identify other areas that should receive special attention in 2000-2003.
- Provide comments and suggestions for high benefit projects that we could consider in the SDS's 2000-2003 action plan.

Overall, the comments were positive and recommended that we continue in the same direction, giving priority to the same areas of activity and emphasizing the dissemination of information on the Agency's activities.

Internally, the consultation included courses of action and sought to measure the impact of the accomplishments of the first SDS on expectations. Overall, the comments were positive. A number of people said they were proud of how much the Agency had accomplished with regard to sustainable development.

The Agency also held ongoing discussion with other partners, such as:

- The Business Development Bank of Canada, which already provides a guidance program for SMEs in implementing an environmental management system (EMS).
- Le Réseau environnement inc, which has a marketing assistance service for environmental SMEs.
- The Quebec Order of Engineers, which suggested expanding the Agency's activities with regard to climate change to the issue of environmental management in SMEs.
- The interdepartmental task force on sustainable development of the Quebec Council of Senior Federal Officials (QCSFO) which is developing an action plan specific to Quebec in co-operation with departmental SDSs.
- The Interdepartmental Network on Sustainable Development, which brings together representatives of the departments subject to the *Auditor General Act* so as to develop a shared vision of sustainable development within the machinery of the Government of Canada.
- The Comité de concertation pour le développement de l'industrie québécoise de l'environnement, which brings together the main partners, associations and support organizations of the Quebec environment industry.

Part IV GOALS, OBJECTIVES AND TARGETS

The Agency's Sustainable Development Strategy is based on its strategic framework, illustrated in the diagram at the end of this section.

It shows that the Agency has identified four development issues:

- profound changes in the world economic environment
- the contribution of the community to development of its economy
- disrupted economic areas
- sustainable development of enterprises and regions.

Sustainable development is a specific issue where the Agency wants to strengthen its role. The lessons drawn from implementation of the first SDS have motivated the Agency to target its activities more closely, which should facilitate implementation and accountability. It is from this standpoint that the logical model for the SDS was revised, the objective employees would be able to understand it. At the same time, this should facilitate its use in day-to-day operations.

being to make the concept less theoretical, so that all

The Agency has clarified the purpose of the SDS, which is now stated as follows:

"To promote the long-term development of the regions of Quebec for present and future generations."

Efforts were made to further clarify the priority objectives so as to improve the Agency's ability to account for its results, as recommended by the Commissioner of the Environment and Sustainable Development.

The 2000-2003 action plan for the SDS is summarized in the diagram at the end of this section.

Part IV Goals, objectives and targets

4.1 External targets

4.1.1 Support development of the Quebec environment industry

Since the environment industry is essentially a horizontal industry with close ties to a number of other sectors of industrial activity, the Agency decided to clarify its definition. The definition presented on the box on the next page was taken from Industry Canada's Strategis Internet tool.

Definition: The environment industry includes all Canadian firms that manufacture environmental merchandise, provide environment services or participate in construction activities related either exclusively or in part to the environment. The industry accounts for a wide range of technologies, products and services that provide solutions to environmental problems related to ecosystems, including (according to Statistics Canada's definition) water supply and conservation, the management and treatment of waste water, rehabilitation, climate change, energy efficiency and renewable energy, solid and hazardous waste, instrumentation, surveillance and analysis, environmental engineering and consultation, waste recycling and reduction, integrated management of littoral zones and oceans and less polluting technology.

Following the analysis provided in *Part II - Review* of factors influencing the SDS, special priority was given to support for this industrial sector. In cooperation with its partners, the Agency will participate actively in development of a joint action plan to enable the Quebec environment industry to carve out a competitive place for itself on the world stage.

The objective is to help the industry structure and consolidate itself so as to increase R&D and the adoption of new technology.

The result of all these efforts should be an increase in investment by the private sector in the industry, the creation of direct and indirect jobs and an increase in exports.

In concrete terms, the Agency will actively support innovation, development and the marketing of products and services from the environment industry or related to sustainable development so that enterprises in any sector can provide products that meet the new "green" market standards, and develop new environmental technologies responding to the needs of local and world markets.

The launching of the community consultation project on the issues, challenges and development factors will take place in the first year. A committee has been established at the behest of the Agency and its main partners: Environment Canada, Industry Canada, the Quebec Department of Industry and Commerce, the Environmental Industry cluster, the Environment network, the Comité sectoriel de main-d'œuvre en environnement (CAMO), Enviro- Accès, ICI Environnement, Collecte Sélective and Recyc Québec.

Priority activities, such as networking, export consortiums and other activities, remain to be determined with all industry stakeholders and key players. The resulting strategy and action plan for the environmental industry must be submitted during the second year of this SDS. Implementation may be spread out over more than a year, depending on the scope of the activities planned and the role and responsibilities that result for the Agency.

Action Plan 2000-2003

4.1.2 Encourage SMEs to adopt sound environmental management practices

The international market has new requirements, such as taking environmental considerations into account,

The Agency supports the project for the development of biodegradable polymers from potato residue and whey, to be used to produce polymers that are less harmful to the environment than non-biodegradable polymers made from chemicals. In addition to being a biotechnological innovation, the project will later allow for the creation of 14 jobs (scientific, technical and semi-skilled) and provide value added for the waste, which is expensive to dispose of at present.

which can even require certification to a specific environmental standard. This requirement will be a major constraint for Quebec firms dealing with order givers who require compliance with these standards or certification attesting to such compliance.

The costs and investment involved in adopting sound environmental management practices are substantial. They can even be seen as a constraint in the short term and, in the longer term, be a factor in reducing the competitiveness of small enterprises. It is difficult to convince SMEs that they need to adjust to the new requirements to participate in some markets and adopt a more long-term outlook on sustainable development. The Agency wants to tackle this problem.

In the 1997-2000 action plan, in cooperation with Environment Canada, the Agency put forward mechanisms, including Enviroclubs, to encourage SMEs to adopt sound environmental practices aimed at the development of new skills, competencies and attitudes in setting environmental management priorities and carrying out in- plant pollution prevention activities, from the standpoint of cost effectiveness. In light of the success of these mechanisms, the Agency will continue its efforts in this regard.

Recognizing that the environmental performance of enterprises is an increasingly important criterion for productivity, competitiveness and cost effectiveness on domestic and international markets and constitutes value added for SMEs, the Agency's programming will be used to support pollution prevention and eco-effective projects in enterprises.

In light of the comments received regarding financial incentives for SMEs and since the Business Development Bank of Canada already provides a guidance program for SMEs in implementing an environmental management system (EMS), the Agency will take steps to

Agency will take steps to improve harmonization of its efforts in this regard.

Over the next three years, the Agency will make SMEs more aware of all these changes and new requirements.

The objective is that, over the next three years:

- 70 SMEs will implement new pollution prevention practices or measures;
- 20 SMEs will establish a specific or comprehensive environmental management system;
- 10 SMES in a variety of sectors will provide products that meet the requirements of local and global green markets.

The adoption and development of new green products or processes that meet new environmental or ecological standards on world markets means:

- using less resources, energy, water;
- producing less waste and pollution; and
- a longer life cycle.

The Agency supports the development and testing of an electric drive group for ice resurfacers that produces no polluting, irritating or toxic gas.

The project will serve to demonstrate technology to solve the problem of clean air in arenas. The project comes out of the memorandum of understanding between the Agency and Environment Canada, the objective of which is to demonstrate and market environmental technology through the provision of advice and financial support.

Part IV Goals, objectives and targets

4.2 Internal targets

4.2.1 Continue greening efforts

In preparing its first Sustainable Development Strategy, it became clear that the Agency essentially played the role of a services broker and, as such, was not really a polluter. Moreover, it could exert influence on its suppliers, both on its own and as a member of the federal committee for sustainable development in government operations, led by Public Works and Government Services Canada (PWGSC).

Within three years, two-thirds of Agency offices will have a multi-product recycling program, one-third of vehicles will be fitted with hybrid engines at time of purchase and a uniform vision of sustainable development will be shared by all employees.

4.2.2 Shared vision of sustainable development, internally and with Agency partners

In the context of the globalization of social and economic issues, government organizations are, more than ever, called upon to clarify the issues and help develop a mobilizing vision that can result in a joint approach by partners. The Agency is moving in this direction and is working to ensure greater co-operation, both internally and at the interdepartmental level.

A) Internally

Within three years, the Agency will be ensured of a shared understanding of sustainable development on the part of its staff. This commitment is closely linked to the sharing of success stories and experiences related to sustainable development, which will be emphasized, and to information sessions on sustainable development issues that will be provided for all employees as part of departmental activities.

B) With Agency partners

As stated by the Commissioner of the Environment and Sustainable Development, "Some of the most pressing challenges facing governments today cut across departmental mandates and political jurisdictions... In areas of shared responsibility - like protecting the environment and promoting sustainable development - co-operation and co-ordination are essential for meeting common policy objectives."

Over the next three years, the Agency will work to improve and increase its interdepartmental partnerships. In cooperation with other federal departments, the Agency will identify the areas where their mandates intersect so as to optimize the use of resources.

C) Improved accountability

In his report, the Commissioner of the Environment and Sustainable Development stated:

"But partnering is not without risks. Among them can be arrangements poorly defined... and inadequate accountability...When organizations work together, the accountability relationships... the obligation to answer for a responsibility...become more complex."

The Agency, together with its federal partners, will review agreements with regard to the environment and sustainable development and make the improvements required to foster attainment of its objectives.

In his report of May 2000, the Commissioner of the Environment and Sustainable Development emphasized the fact that the Agency's integrated management system is adjusted to allow for management of the implementation of its Sustainable Development Strategy and that the Agency's current practices meet about 90% of the requirements of the ISO 14001 standard on environmental management systems.

Part IV Goals, objectives and targets

Strategic Fr To promote th	camework he long-term economic development	of the regions of Quebec
Issues	 Profound changes in the global e advent of the knowledge econo acceleration of change complexification of the econom market globalization Contribution by the community t Disrupted economic areas Sustainable development of enter 	omy ony the development of its economy
Targets	Development of enterprises	Improvement of support environment

SDS

To foster the long-term economic development of Quebec regions for present and future generations

Action Plan 2000-2003

	Information	Empowerment
External clientele	SMEs - sound environmental management	Develop the environment industry
	Access to strategic information, access to networks, access to funding	Access to strategic information, access to networks, access to funding
Internal clientele	Shared vision of sustainable development, internally and with our partners	Consolidate our greening efforts
	Greater accountability Structure, interest, network, support, monitor	Reduce, re-use, recycle, oversee the activities

Part V ACTION PLAN AND PERFORMANCE MEASUREMENT

Part V - Action Plan and Performance Measurement

External targets 5.1 Enable the environment industry to meet global competition

Objectives	tives	Key results commitments	Related key activities	Key results expected
5.1.1	Networking and consultation Help the environment industry to structure and consolidate so as to better meet the global market	 Mobilize the industry Understand and analyse the situation and the problem through consultation with the environment industry Develop a joint action plan to enable the environment industry to carve out a place for itself among its global competitors 	Establishment of a consultation committee to encourage and foster participation by key community stakeholders and environment industry representatives Consultation with the industry Dissemination of results of consultation Participation in a Forum on the subject	 Participation of 100 enterprises in consultation activities Profile of issues, challenges and factors in development of the environment industry Production of a strategy and joint action plan for development of the industry
5.1.2	Development of innovative products and services related to the environment and sustainable development formone the development of innovative products, processes, technologies and services and the development of eco-effective products and manufacturing processes	 Support problem, opportunity and feasibility studies for industries related to the environment and sustainable development Support new testing projects resulting from R&D and aimed at solving specific environmental problems, including those considered priorities by the Government of Canada 	Dissemination of relevant results to public and private partners Development of specific technological platforms Support for and technical and financial monitoring of festing projects ensured under an agreement between the Agency and EC Measurement of impact with our environment industry clients through a survey of results such as R&D activities, the adoption of new technology, job creation and export marketing	Financial support for 5 studieg3 years Completion or startup of three technology platforms/ 3 years aimed at solving specific environmental problems in partnership with EC Support for 10 projects to test eco-effective products and processes
5.1.3	Support for the marketing of environment industry products and services Provide financial support for the marketing of innovative products, processes, technologies and services and ecoeffective products and manufacturing processes	Support projects to market products and services related to the environment and sustainable development on Quebec, Canadian and foreign markets	Follow-up on projects Access to scientific and technical competencies through the Canadian Technology Network and the agreement with EC Support for the organization of and participation in fairs like Americana, Polutech, Globe, Environmental Technology Fair	Support for 20 projects to develop and market products, services and technology in the environment sector/3 years Analysis of results of the fairs so as to identify spinoff from these activities

External targets 5.2 Lead SMEs to adopt sound environmental management practices

Objectives	Key results commitments	Related key activities	Key results expected
Improvement in the environmental performance of SMEs Help manufacturing SMEs and those involved in the use of natural resources to improve their environmental performance with a view to exporting on more environmentally demanding markets	In cooperation with EC and the NRC, support implementation of Enviroclubs with two components: wavareness and enablement of SMEs in environmental management and enablement of SMEs in environmental scientific and technical guidance in carrying out in-plant prevention and eco-effectiveness projects based on specific needs identified by the enterprise Provide financial support for eco-effective and pollution prevention projects aimed at improving productivity (resulting in technical and economic gain), competitive capability and better positioning of the enterprise on markets Support for problem, opportunity and feasibility studies for improved use and management of natural resources and the development of substitutes that offer better environmental performance	Make SMEs aware of the economic advantages of implementing sound environmental management practices Skill SMEs in the implementation of sound environmental management practices Ensure better understanding of the needs of SMEs with regard to environmental management, based on needs identified in the region, in cooperation with the BDC or another public or private partner, explore guidance projects for the implementation of environmental management systems Become involved with the interdepartmental group on sustainable development to work with the other sectoral departments on a better understanding of the problem and the needs of enterprises	 Establishment of six Enviroclubs/3 years, based on sectoral and regional needs, in which 70 SMEs will participate Support for projects to implement environmental management systems, based on demand Creation and dissemination of analysis allowing for a better understanding, by public and private stakeholders, of environmental management needs of both manufacturing SMEs and those exploiting natural resources

Action Plan 2000-2003

Part V - Action Plan and Performance Measurement *Internal targets*5.3 Continue greening efforts

Objectives	Key results commitments	Related key activities	Key results expected
Continuation of recycling and waste reduction measures	Implement multi-product recycling in all offices Provide new vehicles with hybrid engines Vork with PW/GSC to improve federal performance, that is, decrease our use of resources (water, energy), increase "green" purchases, etc	Inventory the situation and begin negotiations with some office building owners in cooperation with those concerned to initiate a multi-product recycling program Continuously share our needs with PWGSC to improve the federal performance with regard to the use of resources	 Establish an action plan for the implementation of a multi-product recycling program Multi-product recycling in all offices/3 years 22% (4/18) of vehides fitted with hybrid engines/3 years

Internal targets 5.4 Shared vision of sustainable development

Objectives	ves	Key results commitments	Related key activities	Key results expected
5.4.1	Internally: shared vision of sustainable development	 Develop a shared vision of sustainable development, especially through internal communications and making employees aware of the Agency's sustainable development principles and objectives Train advisors Ensure shared understanding of sustainable development among all employees 	Inventory and analysis of needs in terms of information dissemination and training of employees Development of training kit based on needs	Training for most advisors/3 years Employee awareness
5.4.2	With the Agency's partners: Improve and increase interdepartmental and other partnerships	 Review the agreement between the Agency and EC so as to improve co-ordination of efforts and accountability Identify and review areas where our mandate intersects with those of Agency partners to make better use of our respective expertise Participate actively in the interdepartmental organizing committee to prepare the conference on sustainable development 	Examine our ways of doing things in cooperation with our partners so as to improve the synergy of our partnerships Contribute actively to the Quebec Council of Senior Federal Officials conference on greening and sustainable development (02/2001) Disseminate the joint action plans resulting from the work of the various multi-party committees	Cooperation agreements between the Agency and its partners
5.4.3	Improve accountability	 Strengthen the comprehensive vision of sustainable development within the organization through improvement of the system for transmitting information Regularly disseminate information to all staff and senior management 	Improve the Agency's information transmission system More easily, systematically and regularly produce simple and easily understood information on sustainable development performance in three areas: accountability, continuous improvement and transparency	 Information accessible to all employees through reports, publications or electronic means Annual accounting to senior management

Appendix I

List of organizations consulted

Canadian Federation of Independent Business

Chambre de commerce du Québec

Board of Trade of Metropolitan Montreal

Alliance des Manufacturiers et des Exportateurs du Québec (AMEQ)

Groupement des chefs d'entreprise du Québec

Centre québécois de valorisation des biomasses et des biotechnologies (CQVB)

Bureau de la valorisation de la recherche, Université Laval

Société pour la promotion de la science et de la technologie

Enviro-Accès

Réseau des SADC, President

Quebec Council of Senior Federal Officials (QCSFO):

Agriculture and Agri-Food Canada

Canada Customs and Revenue Agency

Canada Information Office

Canadian Space Agency

Canadian Heritage

Canadian Security Intelligence Service

Canadian Food Inspection Agency

Citizenship and Immigration Canada

Correctional Service of Canada

Department of Justice Canada

Environment Canada

Fisheries and Oceans Canada

Health Canada

Human Resources Development Canada

Indian and Northern Affairs Canada

Industry Canada

National Defence

Natural Resources Canada

Office of the Commissioner of Official Languages

Parks Canada

Passport Office

Public Works and Government Services Canada

Public Service Commission of Canada

Royal Canadian Mounted Police

Statistics Canada

Status of Women Canada

Transport Canada

Veteran Affairs Canada

Appendix II

SDS team

Writing team members

Project leader

Claude Lussier, Director, Strategic Orientations

Project manager

Arlette Dion, Senior Advisor, Strategic Orientations

Editorial Board

Sylvain Savage, Advisor, Interregional Intervention and Partnership Guy Collin, Director, Administrative Services Lucie Authier, Advisor, Quality Management and Performance Measurement

Review committee

Marie-Claude Cadorette, Communications Advisor, Planning and Strategic Orientations Serge Massé Dionne, Advisor, Interregional Intervention and Partnership Marie Duhamel, Advisor, Communications

Director responsible for implementation of the SDS

François Yassa, Director, Interregional Intervention and Partnership

Other SDS committee members

Armini Tchakmakchian, Politics Analist Lucie Mc Duff, Advisor, Operations Serge Legris, Advisor, Montérégie Business Office Robert Lavoie, Advisor, Saguenay—Lac-Saint-Jean Business Office

Consultant

Benoît Gauthier, Réseau CIRCUM inc. Report on the first SDS and guidance for development of the second SDS

Graphic design

Josée Gaudreault graphiste inc.

Notes		