

Strategic and Program Evaluation of the Cumulative Environmental Management Association



Draft Report

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Prepared by:

**PricewaterhouseCoopers LLP
Suite 1501, TD Tower
10088 – 102 Ave NW
Edmonton, Alberta T5J 3N5**

Important

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Table of Contents

1 EXECUTIVE SUMMARY	1
2 INTRODUCTION	5
3 APPROACH	6
4 CONTEXT.....	7
5 INTERESTS.....	9
6 RECOMMENDATIONS	10
7 NEXT STEPS	13
8 FINDINGS.....	14
8.1 Web Survey and Interviews.....	14
8.2 Aboriginal Perspectives	19
8.3 Review of Comparable Organizations	21
9 APPENDIX I – WEB SURVEY QUESTIONNAIRE.....	26

1 Executive Summary

The Cumulative Environmental Management Association ("CEMA") is a registered not-for-profit, non-government multi-stakeholder organization governed by 44 members representing all levels of government, regulatory bodies, industry, environmental groups, Aboriginal groups and the local health authority, all of which have interests in protecting the environment within the Wood Buffalo region.

CEMA has developed from a concept to a functioning organization over the past seven years. Since inception and more recently, CEMA has been the subject of significant ongoing scrutiny and criticism from various sources with respect to governance, operations, accountability and member participation (particularly government) in CEMA. Specific issues identified included: enhancing efficiency and timeliness in developing recommendations; governance issues; types of decisions that need not be the subject of consensus; adequacy of the regulatory backstop and the resources required to be more effective.

PricewaterhouseCoopers ("PwC") was engaged by the Alberta Government to assess the efficiency and effectiveness of CEMA, its working teams, committees and members in achieving objectives, developing recommendations as well as improve the Government of Alberta's and Aboriginal groups' participation on CEMA.

Collection and analysis of information was a key component of this project. Significant information and documentation exists in the form of internal and external reports, as well as CEMA materials including operational and procedural manuals.

Working with the project sponsors, a comprehensive list of stakeholders were invited to participate in a web-enabled survey as a means to express their opinions and share perspective on CEMA in confidence. Over 60 individuals, representing a wide range of interest and organizations, were invited to complete the survey.

In addition to the web survey, a series of in-depth interviews were conducted with over 30 individuals representing a cross section of CEMA interests and membership (including board members, management committee members and working group members).

It was important to hear first-hand from Aboriginal people. Interviews were conducted to collect relevant information, perspectives on issues, and ideas. Feedback received was rich in content and provided meaningful insights into the perspectives of Aboriginal people.

Two Alberta based organizations – the Foothills Model Forest and the Clean Air Strategic Alliance were examined for comparison with CEMA.

During the course of this project many and varied issues and perspectives were expressed regarding CEMA. Most believe that the existence of CEMA serves a valuable role in supporting sustainable development in the region. Across the spectrum there is a strong desire for CEMA to succeed however, there is very little support for the maintenance of status quo. There is an overarching belief that the widening gap between environmental management and oil sands development needs to be closed.

The unanticipated pace of oil sands development has elevated the complexity of cumulative environmental management in the region. Current oil sands projects are valued in excess of \$162 billion. Frameworks being developed require far greater insight and linkage into government policy and in some cases, value-based trade offs.

Reaching consensus has been difficult because policy and planning gaps exist. Without context to policy and planning in the region, CEMA members do not have full view of the implications of their recommendations and therefore cannot conclude on a path forward. CEMA working groups have attempted to fill policy and planning gaps resulting in ongoing changes to the various project scopes, increasing budget requirements and significant delays.

This policy and planning gap has also made the regulatory backstop difficult to impose. There is little sense of urgency that government will invoke a backstop particularly without a clear linkage to policy and planning in the region. Imposing a regulatory backstop without alignment to policy and planning in the region would provide the foundation for considerable controversy.

CEMA members have become frustrated. Those providing funding see themselves providing money to pursue uncertain results. Many are concerned that further delays are inevitable and the likelihood of environmental management catching up with development in the region is near impossible. The majority of the Aboriginal group members have walked away from CEMA citing little faith in CEMA and its ability to deliver products that are respectful, meaningful, timely and balanced.

Most believe that CEMA is needed to fulfill a shared mandate for environmental management in the region. However, changes will need to be made in order to bring the trajectory of environmental management in line with the pace of development.

The following recommendations were driven by the need to bring environmental management in line with the pace of oil sands development in the region. Time has simply run out and without immediate action the gap will continue to widen. The recommendations are not mutually exclusive, but rather highly integrated, and in some respect lock-step.

Recommendation 1: Continued Existence of CEMA with Modification

- o CEMA should continue to exist, however significant modifications are necessary to make the organization more focused, leaner, more efficient and better connected to and supported by government.

Recommendation 2: Government Leadership

- o Government must accept the key responsibility and accountability for resource development and environmental management in the region. In turn, government must provide leadership in determining CEMA direction and priorities by re-engaging in priority activities in the region including: establishing regional outcomes; policy development and planning.
- o Government must assign resources of sufficient authority to represent and communicate the desired government outcomes and, when the outcomes are not well defined, provide the necessary context to allow CEMA to make decisions on priorities that will yield timely results.

- Government should be prepared to employ public participation mechanisms other than multi-stakeholder consensus-based processes (workshops, roundtables and advisory committees) to address issues with the following characteristics.
 - Issues that require immediate decision (within 1 year) and cannot wait.
 - Information surrounding issues is sufficiently robust that reasonable policy responses can be formulated by government with minimal conflict.
 - Issues that are highly embedded or require decisions in higher level values-based trade-offs as context for the development of regulatory/environmental frameworks.
- Government must enable a fully functioning regulatory backstop consisting of:
 - well defined, time sensitive process and decision structure to accept, act upon and report on CEMA recommendations; and
 - commitment by government regulating agencies to implement required policy when consensus agreement by CEMA is not possible within a specified period of time.

Recommendation 3 - Purpose and Mandate

- Government leadership (see Recommendation 2) must be provided to place CEMA's purpose and mandate into context.
- CEMA and its members must work closely with government to clarify and rationalize the role, mandate, structure and operations to ensure CEMA is enabled to operate, function and succeed in helping close the gap between oil sands development and the establishment of environmental management systems.
- For government, CEMA is an organization that has succeeded in providing technical solutions to technical problems. CEMA must stay focused on providing recommendations that will support and achieve outcomes that are determined by government.
- Government must also rationalize the role of CEMA as one of several groups providing advice to government in the region. Government expectations must be clear for CEMA and other groups particularly with the launch of recent planning initiatives.
- CEMA should not engage in issues requiring significant political or values-based trade-offs.
- CEMA should not become an implementation body.
- For Aboriginal peoples, CEMA must not be perceived to be a formal consultation body. Issues of public policy and potential infringement of Aboriginal rights must be addressed by governments outside of CEMA.

Recommendation 4 - Government Representation

- The CEMA Board needs to be significantly smaller in order to become more efficient.
- Board members must be selected to provide both a representation of interests, commitment, capacity and authority to clarify the priorities of CEMA within the context of regional policy issues. Stakeholders must develop constituency-based representation on the Board and better processes will be needed to ensure that power is reasonably distributed among government (federal, provincial, municipal), resource industries, primary funders, Aboriginal communities and others. The Clean Air Strategic Alliance provides a possible model for consideration.
- Government representation must be of sufficient authority (e.g. ADM level for government and VP level for industry) to provide strong guidance and leadership.

- Representation of Aboriginal communities and particularly First Nations must be carefully considered. First Nation communities are not likely to support the use of non-community members representing their interests unless the scope of representation is well defined. CEMA's purpose and mandate must be clarified to exclude any connotation that would imply formal consultation or limiting in any way the rights of First Nations.
- CEMA must be very judicious with the issues and work the organization takes on. Only those issues with the greatest chance for success (timely agreement on a path forward, tight scope and well defined outcomes), should be addressed by CEMA. Remaining issues should be addressed by existing government mandate or other regional initiatives.
- Adjustments to top level governance at CEMA must also be reflected in the structure of and direction provided to CEMA working groups.

Recommendation 5 - Operations

- The CEMA Board must be supported by a full time CEO that is dedicated, visionary, strategic and interested in providing a longer term commitment to the organization.
- CEMA should consider moving their base of operations to Edmonton or Calgary to attract and retain skilled and experienced individuals to support CEMA operations.
- Management Committee oversight role should be strengthened. Each project should be linked to strategic direction established by the Board. Each project should be sponsored by a member of the Management Committee who will be responsible for making sure a detailed business case is developed for each project to justify the investment.
- Formalized project management training for all Working Group Chairs and sub-group leaders should be instituted to improve the efficiency of program delivery.
- Formalized processes (budgets, deliverables, scope, timelines and adaptations mechanisms) to manage consultants and scientific experts should to be developed and followed particularly in situations involving discovery research.

With the assumption that the recommendations are accepted initial transition steps will need to be taken to allow adaptation to a new decision making culture.

First, government must declare their willingness to strengthen their ties with CEMA to enable CEMA to be successful. Government should commit to filling in the policy and planning gaps that have impeded the progression of environmental management.

Concurrently, CEMA must then respond to government and demonstrate a willingness to adjust and rationalize their role, organizational structure, governance and operations with an aim to improving efficiency and effectiveness.

For CEMA and government, there will be an immediate need to take stock of existing and future work priorities in the region to determine how priorities will be shared and how work will transition between CEMA and government and vice versa.

2 Introduction

Background

The Cumulative Environmental Management Association ("CEMA") is a registered not-for-profit, non-government multi-stakeholder organization governed by 44 members representing all levels of government, regulatory bodies, industry, environmental groups, Aboriginal groups and the local health authority, all of which have interests in protecting the environment within the Wood Buffalo region.

Established in 2000 CEMA was mandated to address 37 of the 72 issues identified in the 1999 Regional Sustainable Development Strategy ("RSDS") for the Athabasca Oil Sands Areas. (The remaining 35 RSDS issues not falling under CEMA's mandate were to be addressed by existing government mandate or other regional initiatives.)

CEMA is a forum to bring stakeholders together to discuss and make consensus-based decisions to manage the cumulative environmental effects in the context of existing and projected oil sands development. In carrying out their mandate, CEMA endeavors to provide recommendations to regulators on managing potential cumulative environmental effects using an array of environmental management tools including environmental limits, thresholds, guidelines and objectives.

The Challenge

CEMA has developed from a concept to a functioning organization over the past seven years. Since inception and more recently, CEMA has been the subject of significant ongoing scrutiny and criticism from various sources with respect to governance, operations, accountability and member participation (particularly government) in CEMA. Specific issues identified included: enhancing efficiency and timeliness in developing recommendations; governance issues; types of decisions that need not be the subject of consensus; adequacy of the regulatory backstop and the resources required to be more effective.

Most recently, the RSDS is being renewed as part of an overall integrated regional strategy, including a review of governance and therefore will impact CEMA and its operations. The updated RSDS is to provide direction for the management of cumulative environmental impacts of all activities in the region.

The Opportunity

The opportunity exists to consolidate the knowledge and various stakeholder perspectives to drive out recommendations for possible changes to CEMA and improve environmental management in the region. PricewaterhouseCoopers ("PwC") was engaged by the Alberta Government to assess the efficiency and effectiveness of CEMA, its working teams, committees and members in achieving objectives, developing recommendations as well as improve the Government of Alberta's and Aboriginal groups' participation on CEMA. This assessment is an independent strategic evaluation of the operation and performance of CEMA.

3 Approach

Collection of Existing Information - Collection and analysis of information was a key component of this project. Significant information and documentation exists in the form of internal and external reports, as well as CEMA materials including operational and procedural manuals. This material provided valuable insight into the factors for success and challenge for CEMA.

Web-enabled Survey - Working with the project sponsors, a comprehensive list of stakeholders were invited to participate in a web-enabled survey as a means to express their opinions and share perspective on CEMA in confidence. Appendix I contains the survey format and questions asked of the stakeholders.

Over 60 individuals, representing a wide range of interest and organizations, were invited to complete the survey. Eighteen responses were received from the following affiliations:

- 7 from Government;
- 6 from Industry;
- 2 from Not-for-Profit Sector;
- 2 from First Nations; and
- 1 from the ENGO community.

All respondents declared that they were members of CEMA (6 - CEMA Board members and 12 non-Board members). Thirteen of the respondents were members of a CEMA working group or other committee and the remaining 5 were not.

In-depth Interviews - In addition to the web survey, a series of in-depth interviews were conducted with over 30 individuals representing a cross section of CEMA interests and membership (including board members, management committee members and working group members). The purpose of these interviews was to explore in detail and understand nuances and complexity difficult to reveal through the questionnaire survey process.

Interviews with Aboriginal People - It was important to hear first-hand from Aboriginal people. Interviews were conducted to collect relevant information, perspectives on issues, and ideas. Seven interviews were conducted with aboriginal peoples or representatives of aboriginal communities. Feedback received was rich in content and provided meaningful insights into the perspectives of Aboriginal people.

Review of Comparable Organizations - Two Alberta based organizations – the Foothills Model Forest and the Clean Air Strategic Alliance were examined for comparison with CEMA. Research was also conducted on other jurisdictions (British Columbia and New Zealand) however, available information was limited, rudimentary and, where contact information was available, organizations were unresponsive.

4 Context

Based on the information and perspective gathered throughout the course of this project the following context provides the basis for recommendations.

CEMA was created as the means to respond to cumulative environmental effects issues and the need for environmental management to keep pace with regional oil sands development. At the time, oil sands development anticipated growth was projected at \$12 billion.

CEMA was conceived based on the premise that several benefits would result through multi-stakeholder consensus decision processes. By bringing together diverse interests, knowledge and expertise into the decision making process, complex issues could be fully discussed and evaluated and, in turn, lead to an expanded range of options and solutions. The underlying premise was that consensus-based recommendations would be much easier to implement because of reduced resistance.

While challenging and time consuming, CEMA was successful in delivering consensus recommendations (frameworks) to government on air related issues. These early recommendations were formulated in large part by technical experts responding to highly technical issues. Many believe that these initial frameworks were the "low hanging fruit" and far more complex issues and challenges remain.

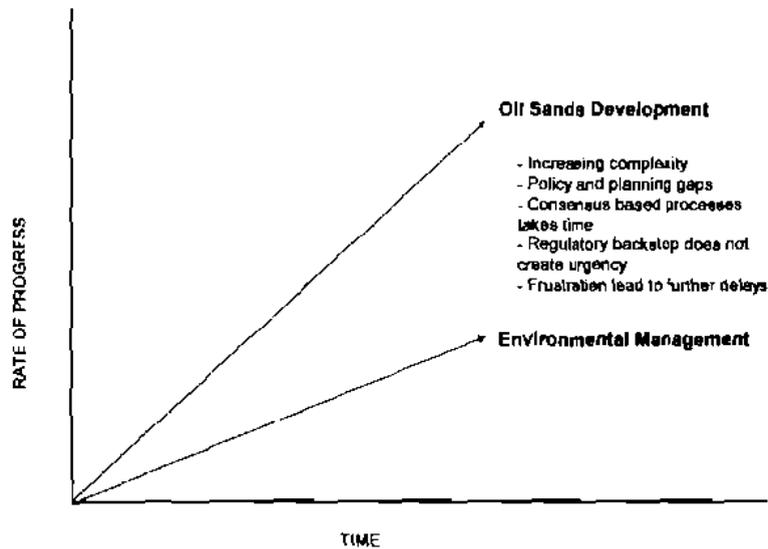
The unanticipated pace of oil sands development has elevated the complexity of cumulative environmental management in the region. Current oil sands projects are valued in excess of \$162 billion. Frameworks being developed require far greater insight and linkage into government policy and in some cases value-based trade offs.

Reaching consensus has been difficult because policy and planning gaps exist. Without context to policy and planning in the region, CEMA members do not have full view of the implications of their recommendations and therefore cannot conclude on a path forward. CEMA working groups have attempted to fill policy and planning gaps resulting in ongoing changes to the various project scopes, increasing budget requirements and significant delays.

This policy and planning gap has also made the regulatory backstop difficult to impose. There is little sense of urgency that government will invoke a backstop particularly without a clear linkage to policy and planning in the region. Imposing a regulatory backstop without alignment to policy and planning in the region would provide the foundation for considerable controversy. CEMA members would be critical, feel betrayed, and use other means to exercise their perspectives (lobbying, walking away from the table, civil disobedience).

CEMA members have become frustrated. Those providing funding see themselves providing money to pursue uncertain results. Many are concerned that further delays are inevitable and the likelihood of environmental management catching up with development in the region is near impossible. The majority of the Aboriginal group members have walked away from CEMA citing little faith in CEMA and its ability to deliver products that are respectful, meaningful, timely and balanced.

Most believe that CEMA is needed to fulfill a shared mandate for environmental management in the region. However, changes will need to be made in order to bring the trajectory environmental management in line with the pace of development. Without immediate action, the gap between oil sands development and regional environmental management will continue to widen.



5 Interests

During the course of this project many and varied issues and perspectives were expressed regarding CEMA. Most believe that the existence of CEMA serves a valuable role in supporting sustainable development in the region. Across the spectrum there is a strong desire for CEMA to succeed however, there is very little support for the maintenance of status quo. There is an overarching belief that the widening gap between environmental management and oil sands development needs to be closed.

6 Recommendations

The following recommendations were driven by the need to bring environmental management in line with the pace of oil sands development in the region. Time has simply run out and without immediate action the gap will continue to widen. The recommendations are not mutually exclusive, but rather highly integrated, and in some respect lock-step.

Recommendation 1 - Continued Existence of CEMA with Modification

- o CEMA should continue to exist, however significant modifications are necessary to make the organization more focused, leaner, more efficient and better connected to and supported by government.

Recommendation 2 - Government Leadership

- o Government must accept the key responsibility and accountability for resource development and environmental management in the region. In turn, government must provide leadership in determining CEMA direction and priorities by re-engaging in priority activities in the region including: establishing regional outcomes; policy development and planning.
- o Government must assign resources of sufficient authority to represent and communicate the desired government outcomes and, when the outcomes are not well defined, provide the necessary context to allow CEMA to make decisions on priorities that will yield timely results.
- o Government should be prepared to employ public participation mechanisms other than multi-stakeholder consensus-based processes (workshops, roundtables and advisory committees) to address issues with the following characteristics.
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- o Government must enable a fully functioning regulatory backstop consisting of:
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 - o commitment by government regulating agencies to implement required policy when consensus agreement by CEMA is not possible within a specified period of time.

Recommendation 3 - Purpose and Mandate

- o Government leadership (see Recommendation 2) must be provided to place CEMA's purpose and mandate into context.
- o CEMA and its members must work closely with government to clarify and rationalize the role, mandate, structure and operations to ensure CEMA is enabled to operate, function and succeed in helping close the gap between oil sands development and the establishment of environmental management systems.

- For government, CEMA is an organization that has succeeded in providing technical solutions to technical problems. CEMA must stay focused on providing recommendations that will support and achieve outcomes that are determined by government.
- Government must also rationalize the role of CEMA as one of several groups providing advice to government in the region. Government expectations must be clear for CEMA and other groups particularly with the launch of recent planning initiatives.
- CEMA should not engage in issues requiring significant political or values-based trade-offs.
- CEMA should not become an implementation body.
- For Aboriginal peoples, CEMA must not be perceived to be a formal consultation body. Issues of public policy and potential infringement of Aboriginal rights must be addressed by governments outside of CEMA.

Recommendation 4 - Governance Structure

- The CEMA Board needs to be significantly smaller in order to become more efficient.
- Board members must be selected to provide both a representation of interests, commitment, capacity and authority to clarify the priorities of CEMA within the context of regional policy issues. Stakeholders must develop constituency-based representation on the Board and better processes will be needed to ensure that power is reasonably distributed among government (federal, provincial, municipal), resource industries, primary funders, Aboriginal communities and others. The Clean Air Strategic Alliance provides a possible model for consideration.
- Government representation must be of sufficient authority (e.g. ADM level for government and VP level for industry) to provide strong guidance and leadership.
- Representation of Aboriginal communities and particularly First Nations must be carefully considered. First Nation communities are not likely to support the use of non-community members representing their interests unless the scope of representation is well defined. CEMA's purpose and mandate must be clarified to exclude any connotation that would imply formal consultation or limiting in any way the rights of First Nations.
- CEMA must be very judicious with the issues and work the organization takes on. Only those issues with the greatest chance for success (timely agreement on a path forward, tight scope and well defined outcomes), should be addressed by CEMA. Remaining issues should be addressed by existing government mandate or other regional initiatives.
- Adjustments to top level governance at CEMA must also be reflected in the structure of and direction provided to CEMA working groups.

Recommendation 5 - Operations

- The CEMA Board must be supported by a full time CEO that is dedicated, visionary, strategic and interested in providing a longer term commitment to the organization.
- CEMA should consider moving their base of operations to Edmonton or Calgary to attract and retain skilled and experienced individuals to support CEMA operations.
- Management Committee oversight role should be strengthened. Each project should be linked to strategic direction established by the Board. Each project should be sponsored by a member of the Management Committee who will be responsible for making sure a detailed business case is developed for each project to justify the investment.
- Formalized project management training for all Working Group Chairs and sub-group leaders should be instituted to improve the efficiency of program delivery.

- Formalized processes (budgets, deliverables, scope, timelines and adaptations mechanisms) to manage consultants and scientific experts should to be developed and followed particularly in situations involving discovery research.

7 Next Steps

With the assumption that the recommendations are accepted initial transition steps will need to be taken to allow adaptation to a new decision making culture. Time is of the essence.

First, government must declare their willingness to strengthen their ties with CEMA to enable CEMA to be successful. Government should commit to filling in the policy and planning gaps that have impeded the progression of environmental management.

Concurrently, CEMA must then respond to government and demonstrate a willingness to adjust and rationalize their role, organizational structure, governance and operations with an aim to improving efficiency and effectiveness.

For CEMA and government, there will be an immediate need to take stock of existing and future work priorities in the region to determine how priorities will be shared and how work will transition between CEMA and government and vice versa.

8 Findings

8.1 Web Survey and Interviews

Purpose and Mandate of CEMA

According to a recent annual report, CEMA's purpose is to:

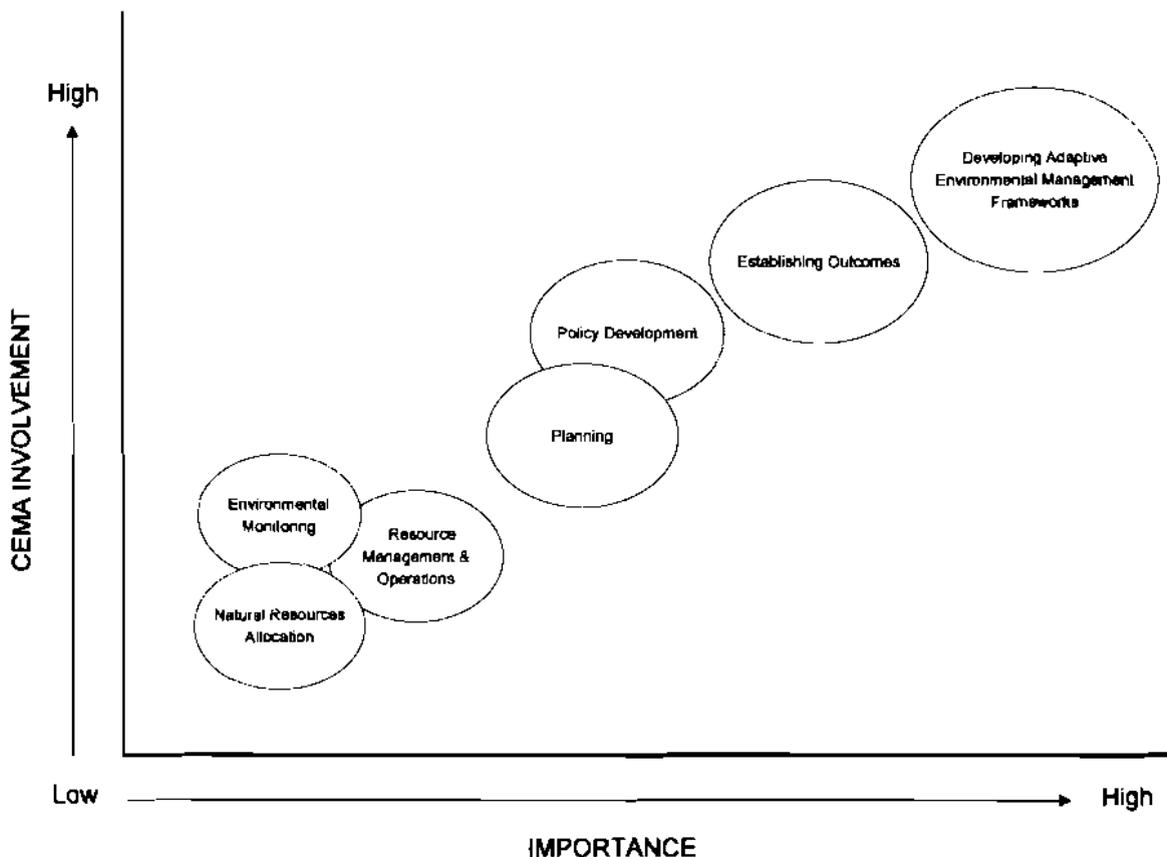
"Provide a forum for its stakeholders to discuss and make consensus-based decisions forming the basis for action by members, and recommendations to Alberta Environment, Sustainable Resource Development or other appropriate government bodies, and to industry as appropriate, on managing the region's cumulative environmental effects. These recommendations form the core of proactive regional environmental management systems that address cumulative biophysical, health and resource use impact of regional developments and resource use".

The report also notes that CEMA has no regulatory authority, does not make decisions on individual project applications, is not an "industry watch-dog" or a research organization and does not have a monitoring function. CEMA does provide frameworks and information that can assist the Regulators in making individual project-level decisions.

Using a broad listing of components common to environmental management systems, survey participants were asked to identify which areas they believed CEMA was involved. Participants were then asked to rank their selections (in order of importance) from lowest to highest.

The following figure illustrates that according to the respondents, CEMA is involved in many areas. CEMA's involvement in the development of adaptive environmental management frameworks was selected by all participants in the survey and in the majority of cases ranked high in terms of importance. Other areas including natural resource allocation, environmental monitoring and resource management and operations was selected by only a few respondents that ranked importance low. Activities of planning, policy development and establishing outcomes fell in the middle both in terms of selection by the participants and the relative ranking of importance.

Perceived Areas of Involvement by CEMA Ranked According to Relative Importance



Some survey participants were very narrow in their responses to these questions suggesting that CEMA's areas of involvement were well defined. However the majority of the responses suggest that the scope of CEMA activity could be much more broadly defined.

Many of those interviewed believed CEMA's purpose and mandate has broadened, become increasingly more complex, and lost focus. Those who had been involved with CEMA for a number of years characterized the changes to CEMA as taking a natural course resulting from:

- o unanticipated growth of oil sands development that has increased exponentially over the past decade and
- o a lack of integrated planning in the region.

Respondents stated that CEMA was never intended to be a forum to deliberate on broad regional or provincial scale objectives or outcomes relating to air, land and water. However, in the absence of direction, planning guidance or gaps in policy, many of CEMA's projects have experienced expanded scope that in turn indirectly expanded the purpose and mandate of CEMA.

Role of Government

Perspectives on the role of government (including provincial and federal departments and regulatory agencies) on CEMA were diverse. By and large participants believe government has two roles within CEMA – one as full and active participant in formulating CEMA recommendations and one of responding to CEMA recommendations.

Government's role in formulating recommendations was characterized as:

- ensure public interest is upheld;
- establishing the balance between environmental impacts, social benefits and economic prosperity;
- providing clarity on desired policy outcomes;
- ensure development does not drive outcomes;
- manage development to meet outcomes;
- leading and/or sharing of tasks;
- providing policy interpretation and policy direction as required;
- providing guidance on the process of formulating successful recommendations; and
- facilitation and dispute resolution.

Government's role in responding to CEMA recommendations included:

- responding promptly to recommendations once they are accepted;
- establishment of management plans; and
- regulatory compliance through enforcement.

Role of Regulator and Participant

Many participants in this review provided perspective on the role of government as a regulator and participant on CEMA. Many believe there is an inherent conflict of interest particularly when recommendations may not be in line with current policy. While there was general agreement that government must participate and even assume a leadership role in order to provide insight into existing policies, government should abstain from decision making when there is a conflict or uncertainty related to a particular recommendation.

Role of Non-CEMA Members

There is acknowledgement by those surveyed and interviewed, that external stakeholders (non-CEMA members) have a critical role in CEMA. Support for open, transparent information access and sharing was unanimous. However, participants were split on what influence non-CEMA members should have. Most supported processes that allowed for critical input into CEMA processes and decisions, however specific outreach and consultation was seen by many as leading to undue influence on the consensus building processes of CEMA. Non-CEMA processes that resulted in greater influences on government departments was a concern. Several individuals suggested that regional interests are best served through constituency-based representation. Others were far more inclusive suggesting that CEMA should welcome participants from non-CEMA members throughout all levels of discussion.

Communication

The majority of responses characterized communications at CEMA as ineffective. While most comments were provided in retrospect, several participants were supportive of recent initiatives by CEMA to improve communications overall (i.e. website updates, quarterly updates, performance tracking, reporting on action items from meetings, etc.) While there was general acceptance of a shared responsibility to communicate the impact of day-to-day workload was cited as the reason for not making significant progress.

Regarding internal communications, many cited complexity within CEMA as the main communication challenge. CEMA is simply struggling to keep up with the demands and workload. Some believe CEMA's mandate is too broad; there are several working groups with overlapping priorities seemingly operating in isolation; direction from the Management Committee and Board is not clear; and project managers are not experienced.

Externally, CEMA is considered poorly understood. While the purpose of CEMA seems clear (to manage cumulative environmental effects), it has been difficult for CEMA to establish credibility as impact from regional developments increases. Many cited the dual role of government in managing cumulative environmental effects in the region as adding to the confusion.

Several individuals believe communications back to member organizations to be one of the most significant issues for CEMA. CEMA members communicate formally and informally back to their own organizations. Working group members operate with minimal oversight and some have suggested that Board Members may not be aware of what is being determined at the working group level. Some organizations are more effective than others but the structure of CEMA was questioned regarding who is leading CEMA – Board Members or working group/sub-group Members.

Process to Bring Recommendations to Government

The general process used to bring CEMA products (recommendations) to government is documented, but not well understood. For many, the process has worked reasonably well due to the recognition by government of the value of multi-stakeholder consensus. Government representation throughout all levels of CEMA (sub-groups, working groups, management committee, and CEMA Board) is seen as a key component to ensure recommendations that come forward will be acceptable to government and will be implemented.

However, there is no formal commitment by government that recommendations will be implemented if consensus can be reached. Furthermore, communication from government back to CEMA is neither formalized nor structured, leaving CEMA stakeholders wondering how government will respond and what the timeframe for response will be.

Several participants in this study believe that the early CEMA recommendations accepted and implemented by government may not be representative of the situation going forward. Issues being worked on and products being developed (i.e. frameworks) are far more complex, broader in scope, less technically driven and prone to political positioning. Consensus has been far more difficult and time consuming to reach. Many believe that more non-consensus recommendations will be submitted to government for consideration, resulting in greater uncertainty around acceptance and implementation of recommendations.

Use of CEMA Resources

When project direction is clear and scope is well defined, the use of CEMA resources is considered by most to be effective. However, for much of CEMA's work, participants cited a general lack of project oversight, structured work planning, weak budget process and a lack of project targets and timelines. There is a gap between those setting direction for CEMA and those delivering on projects. CEMA leadership has become frustrated with ongoing changes/expansion of scope, increasing budget requirements, and lack of progress on deliverables. This past year was the first time budget requests were denied by the Board. Those working on CEMA projects are feeling micro managed, at times bullied by CEMA leadership, and resentful of inconsistent participation of CEMA membership at the working group level. Nonetheless, clear direction, stringent oversight and rigorous project management were consistent suggestions to improve the use of CEMA resources.

Information Required to Make Decisions

CEMA's success relies on processes to gather, analyze, and communicate information so that recommendations can be understood and supported. This would assume that if information is adequate then consensus should be easier to reach.

When asked if enough information existed to make decisions and provide informed recommendations, participants were split. Some agreed and some did not. However, the common theme on both sides centered on obtaining an understanding.

For those who believed sufficient information existed, simplification of complex issues so that all CEMA members could understand the implications of recommendations was lacking and resulted in delays. Some suggested that CEMA members were simply not reading the information presented to them. Others believe further study is unwarranted, pointing to politics and academic interest as the driving motivation for indecision.

Those in disagreement felt that the regional environment (ecosystems) will never be fully understood and the combined scale and pace of development is challenging their ability to place CEMA deliverables into context.

Accountability

When asked, participants stated that CEMA has multiple accountabilities to:

- CEMA members;
- CEMA board and management committee;
- CEMA funders;
- Public and
- Governments (Provincial, Federal and Municipal).

Accountability has been impacted by the pace of progress on CEMA deliverables. CEMA accountability is stuck between those wanting to proceed with caution and those wanting quicker results. In both cases participants cited a lack of accountability within government to provide a necessary incentive or sense of urgency. Regulatory agencies are seen as reluctant to provide backstops when CEMA work is delayed, which is perceived by many as encouraging issue generation, further work and study even before initial work is complete.

Barriers to Decision Making

Consensus-based decision making was identified as the dominant barrier to decision making at CEMA. This does not suggest that individuals did not support consensus. The main concern was that the time required to reach consensus is bumping up against urgent calls for CEMA deliverables.

Another related barrier identified was the apparent lack of clearly articulated government policies for resource development, environmental protection and trade off mechanisms. Some working in CEMA believe they are working to fulfill unrealistic expectations.

8.2 Aboriginal Perspectives

Five First Nations communities are members of CEMA. Recently, four of those communities abandoned their membership and no longer participate. Fort McKay is the only First Nation remaining. A variety of Metis locals are also members. The Aboriginal Community has expressed concern about the efficacy of CEMA. The following summarizes the feedback received through interview processes and records from recent roundtable meetings.

General Findings

In general the Aboriginal community is split on their support for CEMA. Fort McKay has maintained their membership as it represents the primary means to influence the CEMA outputs. Metis people also appear to be supportive and recognize the CEMA process as the best way to maintain currency and influence the recommendations being developed. Those that continue to support CEMA see value in participation as a means of influencing products and management direction.

Non-supporters are extremely critical of CEMA and are not prepared to discuss ways to improve its operations. There is a strong feeling in most First Nations communities that they should conduct their own cumulative effects analysis and provide independent perspectives to the GoA. There is little faith in CEMA and its ability to deliver products that are respectful, meaningful, timely and balanced. There is a strong view that CEMA is an industry centric organization and that Aboriginal peoples are “stakeholders” on their own land. It is felt that government are not doing their job and are operating like the “absentee land lord”.

Many of the communities are feeling disenfranchised. They have participated dutifully for many years and are extremely frustrated with the progress being made. Communities feel they are getting “lip service” rather than meaningful engagement and participation. There are some who believe CEMA is simply a mechanism to delay decision making while land continues to get sold and projects continue to be approved.

Interests

While there were mixed feelings about the role and function of CEMA, there was clarity about the interests that the communities had:

- Concerns about cumulative effects, the need to be well informed and the need for successful environmental management;
- The strong desire to be taken more seriously and to be treated as equals on the landscape and in the boardroom;
- Taking greater ownership over process and less reliance on processes seemingly run by others;
- Decision processes that are open, honest and transparent;
- Maintenance of traditional lifestyles and values linked to some assurance that their values will be taken seriously;
- Sustaining the quality of the environment for future generations long after industry is gone;
- Better information and communication currency to support knowledge and understanding of the issues and challenges facing them;
- The duty to be consulted;
- The protection of special places and sites; and
- The use of Traditional Environmental Knowledge (TEK) to support sustainable management decisions.

Issues

Aboriginal peoples identified a wide range of issues that have influenced CEMA’s ability to succeed. The following issues were identified:

- CEMA’s purpose, role and mandate are not clear. Maintaining the quality of the environment should be the underlying concern however there is a sense that CEMA has become too “bottom line oriented”. There is a perception that CEMA has become a policy making organization without decision making authority.
- Clear and structured governance is lacking. There are conflicting interests at the table and the governance of CEMA must be set up to make decisions even where trade-offs need to be made and conflict exists. There is the perception that the process is designed for industry and run by industry and that industry gets preferential treatment.

- o Government participation and leadership is lacking. The formal process of government engagement at the recommendation stage lacks clarity and transparency.
- o Interest and respect for the interest of Aboriginal peoples and communities is not apparent. Engagement with Aboriginal communities seems to be location specific with those that are closest to the active mining getting the most attention.
- o Oversight has become micromanagement. There is too much emphasis on the details and not enough on the direction and decision making process.
- o Establishing management systems has become too industry centric. The use and management of TEK is considered an “add-on” rather than integrated into the development of management systems. TEK is often managed by those other than Aboriginal people.
- o Communications mechanisms and processes need to be improved. Communication materials for Aboriginal people are too technically focused rather than on the “big picture” context. Results and decisions from CEMA need to be communicated more effectively back to Aboriginal communities.
- o Some Aboriginal communities lack capacity and resources to effectively participate in the development of management systems (Ft. McKay is the exception).
- o There needs to be a stronger sense of urgency. While discussion of issues continues, development continues as well and issues become more complex and pressing.

Opportunity

While there are strong feelings that there is a better way, there is also an acceptance that development will occur and cannot be stopped. The Aboriginal community wants to be seen as supportive, wants to derive real benefit and wants the environment to be well managed. They want to play a larger and more active role in steering the development. They want to sit at the table as an equal participant.

8.3 Review of Comparable Organizations

During the course of research, other organizations were evaluated for comparison with CEMA from the perspective of governance and operations. By and large, publicly available information for organizations outside of Alberta was not available or too simplistic to provide useful comparisons.

However, information and access to organizational leadership within Alberta's Clean Air Strategic Alliance (CASA) and Foothills Model Forest (FMF) did yield meaningful results. The following table provides a comparison of key organizational attributes of each organization.

A Comparison of the Organizational Attributes of CEMA, CASA and FMF

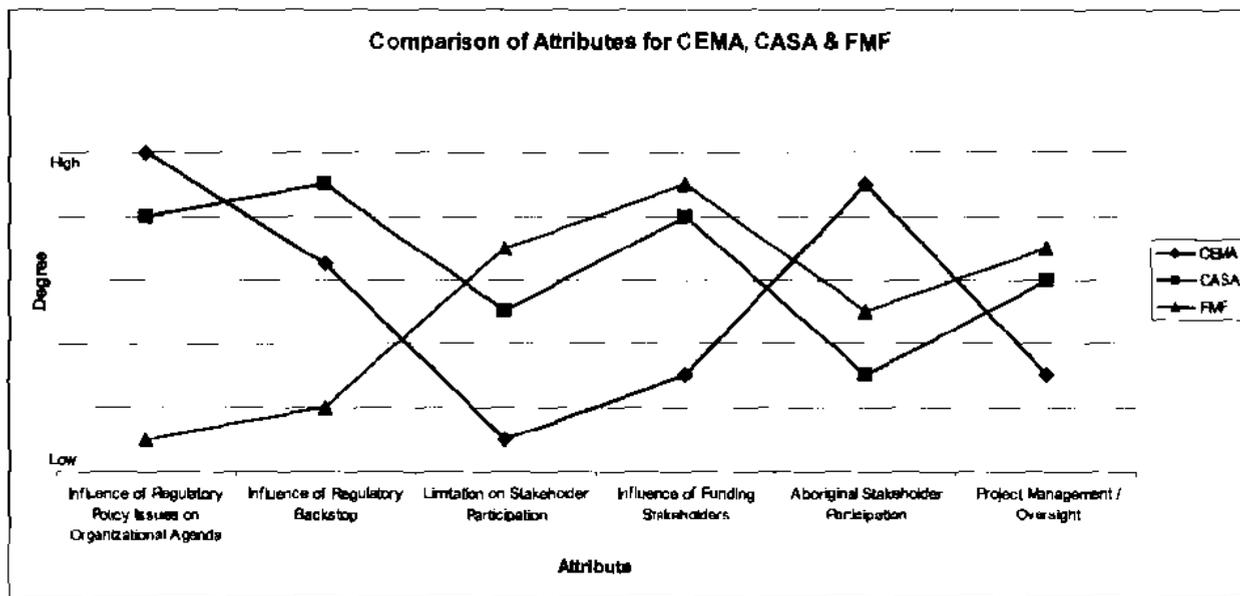
Attribute	CEMA	CASA	FMF
Origins of Associations	CEMA was founded in 1996 and is a not-for profit society with strong but informal ties to the Government of Alberta. It	CASA was established in 1991 as an advisory committee under the Environmental Protection and Enhancement Act and	The FMF is a not-for-profit Corporation founded in 1992 as a result of the Federal Government establishing the Model

Attribute	CEMA	CASA	FMF
	was set up to work on 37 issues within the Northeastern Alberta RSDS.	the Department of Energy Act.	Forest Network.
Funding	Industry and some government funding Industry funding is dependent upon their interest in the project being researched.	AENV, AB Energy, and AB Agriculture fund CASA as well as various industry contributions. Core operations are funded by the provincial government. Project management teams are required to secure funding for projects.	Shareholders comprised of government and industry fund operations and projects of the FMF.
Governance Model	<p>CEMA has:</p> <ul style="list-style-type: none"> • 44 member voting board (approves projects) • Executive Committee (responsible for operations) • Executive Director • Working Groups • Sub-Working Groups 	<p>CASA has:</p> <ul style="list-style-type: none"> • 5 Shareholders (voting) • 22 Member Board (sets strategic direction and makes decisions on projects) • President (Chair) • Executive Director • Project Teams 	<p>The FMF has:</p> <ul style="list-style-type: none"> • 16 member Board of Directors that represents the partners (provides direction to the organization) President (oversees general direction of the organization) • Executive Committee (makes recommendations to the Board). • General Manager (administers day-to-day operations) • Program Implementation Team (makes recommendations on research programs) Activity Team (executes projects)
Voting Structure	CEMA has 44 members and there is no limit on the number of stakeholders that are eligible to become members of CEMA. All have equal voting rights.	CASA has 22 members and named alternates (the membership was expanded from 20 to 22 to include 2 Aboriginal representatives.) Members represent groups of interested stakeholders rather than individual parties. Consensus-based	There is a 21 member Board of Directors who oversee general operations of the organization. The FMF has five voting shareholders made up from the GOA, Parks Canada and industry. Each shareholder has a predetermined number of

Attribute	CEMA	CASA	FMF
		decision making.	votes (ASRD - 4 votes, West Fraser Timber - 3 votes, the Oil and Gas industry - 2 votes and Parks Canada 2-votes)
Industry Stakeholders	Unlimited number of industry representatives	Representation from industry as a group (constituency based).	Representation from industry as a group (constituency based).
Aboriginal Stakeholders	Five First Nation and seven Metis Settlements have held memberships. Currently four of the five First Nations have withdrawn from CEMA.	Participation by the Alberta Council of First Nations (opinions not binding on represented First Nations).	20% Aboriginal participation on the Board on a three-year rotational basis.
NGO Stakeholders	Unlimited NGO's are eligible for membership.	Representation from NGO's	Representation from NGO's
Government Stakeholders	AENV and ASRD are members of CEMA. Other levels of government (federal and provincial) are involved. The current President of CEMA is an AENV employee.	The CASA Board is chaired by the Deputy Minister of AENV. Several Ministries participate, depending upon the issue.	ASRD, Alberta Tourism, Parks and Parks Canada are Board members of the FMF. ASRD and Parks Canada are shareholders.
Focused Project Selection	Broad range of projects suggested by membership and funded by Industry. 37 of the RSDS issues served as the basis for a mandate for CEMA to study and develop recommendations for consideration by government regulators.	Anyone can bring projects to the attention of CASA by submitting a statement of concern/opportunity. Project teams are formed when the Board of Directors agree, by consensus, that CASA should address an issue. CASA may refer the work to another organization, suggest enforcement using existing regulations or conduct research to gain a better understanding of the issue.	Projects are selected on a "group interest" basis". Projects must be of mutual interest to all stakeholders.
Consensus-Based Decision Making	CEMA uses a consensus-based decision model at the Working Group, sub-group and Board level. While no formal agreement exists, government has accepted consensus recommendations from CEMA. If consensus cannot be reached after three meetings, CEMA has	CASA deploys a consensus-based decision making model. The GOA has formally committed to implementing consensus recommendations. There is also a mechanism within CASA to submit non-consensus recommendations.	The FMF uses a process development, consensus-based decision model. They only address issues that all members are in agreement upon. Contentious policy or regulatory issues are not pursued by the FMF. These issues are supported by the FMF

Attribute	CEMA	CASA	FMF
	the option to put forth a recommendation to government with letters documenting the non-supportive parties and their reasoning for not supporting the motion.		through financial support to agencies mandated to address such issues.
Use of External Scientists/Consultants	CEMA uses scientists and consultants on an extensive basis for their projects. The projects are complex and extensive requiring the development and application of both western scientific evidence and traditional environmental knowledge.	CASA uses scientists and consultants on a selective basis. Scientists are relied upon for consultation but typically CASA does not have large, long-term contracts with consulting groups.	The FMF uses research in an applied setting. Often the research is already available. Little discovery research is conducted within the projects committed to by the FMF.
Rigorous Project Management	CEMA's project management skills vary. Some projects succeed in this area while others struggle with budgets and timeframes. There is no formal project management training.	CASA has a formal project management training program that is documented and used to train new project managers.	The FMF has no formal project management process. Projects are controlled through rigorous project approval and reporting procedures.
Provides Formal Advice to Government	CEMA provides recommendations to government. There is no commitment by government to implement these recommendations.	CASA provides specific recommendations to government. If these recommendations are unanimous, there is a commitment by government to bring the recommendations into policy.	The FMF conducts their projects and publishes the research. They make no recommendations to government and are not lobbyists for their cause.
Has Key Performance Measures	None	Key Performance Measures are established for each project.	None

Using readily available information and insight from in-depth interviews, similarities and differences between CEMA, CASA and the FMF were analyzed. The following illustrates the comparison of key organizational characteristics among the three organizations with differing mandates and focus.



While this comparison is subjective, publicly available information, publications and insight garnered through interviews guided the following reasoned conclusions.

- If organizational products and deliverables are formulated in response to regulatory issues then direction from regulating agencies needs to be clear. Straightforward application of a regulatory backstop coupled with agreement by the regulator to implement consensus recommendations provides organizations like CEMA with positive motivation.
- Balancing the need for stakeholder representation with the practical matter of reaching consensus can be difficult in large organizations. Constituency-based representation can facilitate smaller more manageable boards.
- Funding organizations can have valuable role and influence over work/project priorities.
- Boards have a key role to play in determining if they will respond to a particular issue. Consideration for the likelihood of reaching consensus is a particularly important determinant in addressing issues with regulatory implications.
- Aboriginal participation must be focused with clear intent and purpose that does not replace or compromise the legal rights of Aboriginal people.
- Successful organizational performance can be attributed to use of rigorous process and operational accountability frameworks (budgets, deliverables, scope, timelines and process for adaptation). This is particularly important to organizations using consultants and specialists to conduct discovery research.

9 Appendix I – Web Survey Questionnaire

Survey Background:

Our firm has been contracted to conduct an independent assessment of the effectiveness of CEMA. We are focusing on ways to enhance efficiency and timeliness in developing recommendations and means to improve participation on the Association. Your input will be critical in the development of a final report assessing the efficiency and effectiveness of CEMA and the development of recommendations. A final report is expected to be ready and made available to all CEMA members in spring of 2008.

ALL INFORMATION PROVIDED WILL BE TREATED AS STRICTLY CONFIDENTIAL AND ANNONYMOUS.

- 1) From the following list, what organization or group do you represent?
 - CEMA Employee
 - First Nation
 - Métis
 - Government (Federal/Provincial/Municipal)
 - Industry
 - ENGO
 - Other: _____

- 2) Is your organization a CEMA Member?
 - Yes
 - No

- 3) Are you (personally) a member of the CEMA Board Member?
 - Yes
 - No

- 4) Are you (personally) a member of a CEMA working group or committee?
 - Yes
 - No

- 5) From the list below, please select the areas that you believe CEMA is directly involved in.
 - Establishing Outcomes
 - Policy Development
 - Planning
 - Natural Resource Allocation
 - Resource Management and Operations
 - Environmental Monitoring
 - Developing Adaptive Environmental Management Frameworks

6) Please rank, from your perspective, the following activities in order of importance to CEMA. (1-Highest, 7-Lowest).

- Establishing Outcomes
- Policy Development
- Planning
- Natural Resource Allocation
- Resource Management and Operations
- Environmental Monitoring
- Developing Adaptive Environmental Management Frameworks

7) What do you feel is the role of external stakeholders (non-CEMA members) in cumulative environmental effects management?

8) What do you feel is the role of the Federal, Provincial and Municipal governments in cumulative environmental effects management?

9) What do you believe is CEMA's level of effectiveness in the following areas:

a) Internal Communication (between working groups, CEMA members etc)				
Very Effective	Effective	Neutral	Ineffective	Very Ineffective
Please explain				
b) External Communication (non-CEMA members, public, etc.)				
Very Effective	Effective	Neutral	Ineffective	Very Ineffective
Please explain				

10) Please describe how CEMA members communicate back to their respective organizations?

11) What is the process that is followed to bring CEMA recommendations to the appropriate agency to act upon? Is the process effective? Please explain.

12) Has CEMA made effective use of its resources (financial and human resources)? Please be specific and provide examples.

- 13) How do you feel about the following statement? CEMA members have had enough information to make decisions and provide informed recommendations.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Please explain:

- 14) What accountability does CEMA have for completing deliverables and meeting established timelines?
- 15) Where do you see barriers existing in the decision making processes used within CEMA?
- 16) Do you have any other comments or perspectives regarding CEMA?
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