

Partnering for Sustainability -- 2004 Conference Proceedings

Proceedings of the 2nd Bi-Annual Partnering for Sustainability Conference - Day 2

May 13-14, 2004 in Toronto

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Partnering for Sustainability -- 2004 Conference Proceedings

Proceedings of the 2nd Bi-Annual Partnering for Sustainability Conference: Leveraging the Synergies of Multiple Stakeholders to Minimize our Ecological Footprint

May 13-14, 2004 in Toronto

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To see speaker's biographies, click on name. (Biographies are in Acrobat format). For proceedings from the 2002 conference, [click here](#).

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[Anne Mitchell](#) and Nicole Geneau began the Second Bi-Annual Partnering for Sustainability Conference by welcoming all of the delegates and thanking them for attending. They explained that this conference was the second joint effort between CIELAP and the Strategy Institute to further the dialogue on partnerships and sustainability.

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INTRODUCTION

The Chair of the first day, [Richard Ballhorn](#) then offered his own welcome to the conference delegates and speakers and provided the context of partnerships for sustainability. He asserted that partnerships aren't new. They are a way of getting things done when there are barriers to getting them done or there aren't enough resources available to achieve them. What is new is using partnerships in the context of sustainability. Between Rio and the WSSD, there was generally a focus on the role of government in achieving sustainability. During preparations for the WSSD the focus shifted to the abilities of groups outside of government. At the WSSD, type II partnerships emerged as one of the tools for achieving sustainability. He stated that many critics say that partnerships are a diversion of resources that would otherwise be going to development assistance, but that his belief is that partnerships enable the leveraging of many new resources for sustainable development.

He closed his welcome by saying that there is a great deal of capacity in groups outside of the government, in many NGOs and in businesses and that if we are going to use partnerships it is important that we recognize that businesses are not simply ogres interested in the bottom line and that we live in a very different world, even than at the time of Rio.

KEYNOTE ADDRESS

Next, [Gilbert Parent](#) presented the keynote address. He began by noting that any discussion of partnerships can be easily sidetracked by clichés, for example, “working together is good”, “partnerships drive progress”, etc. Of course we think working together is good, but how we work together is what we need to be discussing.

He then went on to discuss the government's role in partnerships. He said that it is important that, if the government is going to join partnerships that it get its own house in order. The Federal government is doing so. Canada's Minister of the Environment does not, however have the power to make people do whatever he wants. The blunt instruments of law and regulation do not have the power to achieve everything that we need to do in order to achieve sustainability. The government needs to work with communities, business, and other countries both bilaterally and multilaterally, but we must keep in mind that partnerships are just one of several tools that can be used to achieve effective environmental management.

He then explained the concept of the ecological footprint and how it can be useful in the context of sustainability. The ecological footprint asks how much of the earth's resources a person or community is using. It can be a measure of how we are progressing. If everyone in the world had a footprint the size of ours, we would require 5 planets. The challenge is to reduce the size of our footprint. Mr. Parent stated that the solutions to achieving this challenge need to come at community level. One-size-fits-all solutions won't work.

In cities like ours, 30% of our footprint goes to the food we eat. 20% goes to housing. Cities, however, are not “bad” for sustainable development. They're good for efficiencies – in energy and water use, transportation, etc. We should take advantage of these efficiency opportunities.

He then provided some examples of local sustainability solutions that can help to reduce our ecological footprint, and explained some of what the Federal Government is going to get its own house in order. Two of the sustainability solutions that he described were the Cities Plus initiative in Vancouver, and the Bed Zed initiative in Beddington, South London. Vancouver's ‘Cities Plus initiative’ is a single integrated urban system. Yellowknife has a silver LEED certified energy efficient government building. Concerning what the Federal Government is doing to get its own house in order, he noted that Paul Martin has expanded the Environment Minister's portfolio. It now includes CMHC, Canada Lands Company, Infrastructure Canada, as well as several Crown Corporations. Martin has structured the government so that all items will have to be considered taking into account economic, social and environmental concerns

To conclude, Mr. Parent said that improvements within government are essential to partnerships because people expect the government to serve as an example and a leader. The planet faces serious and compelling challenges. We need strategies that show where we are and where want to go. We need leadership from key partners both in the government and private

sector.

QUESTIONS AND ANSWERS

During the question and answer period Judy Gay from the Bruce Peninsula asked if the federal government develop a strong tax policy so that wind farms and other alternative energy solutions are more affordable? Mr. Parent replied that he hoped so. He said that it is before the government for consideration. He mentioned that there are already some tax incentives, for example, the Whitby Aboriginal and Northern Climate Change Program. Such programs can come from not only the federal government but also provincial governments

Jean Bilodeau, a visiting professor at Seneca College, referring to Pincher Creek, the wind farm in Alberta, commented that such partnerships with provinces and municipalities are just as important as federal leadership. Mr. Parent agreed that the government needs to engage all innovators.

KEYNOTE ADDRESS, PART II

Following the question and answer period [Adnan Amin](#) provided the delegates with an international perspective on policy that stimulates results. Mr. Amin began his presentation by putting partnerships in the context of the current post WSSD period. Rio 1992 was full of great ideas, and was a great step in itself, but the world has not progressed much since. This is the failure of Post-Rio. Now, in this era partnerships are recognized not only as useful, but also as vital to achieving sustainable development. He went on to describe the role of partnerships within the UN, specifically citing some examples from within the UNEP. He said that the UN has relied on partnerships for a long time to achieve many ends, and that it will continue to do so. He also described how most partnerships that involve the UN function. He said that they tend to employ a bottom-up approach, using pilot projects to test strategies before replicating models elsewhere. He laid out a list of qualities that, in the UN's experience, partnerships need to have to be truly effective.

He then provided the delegates of some of the successful partnerships that the UN has been involved in, particularly with the private sector. He described each initiative and why it has been successful. Among the partnerships that he described are the Division on Technology Industry and Economics, the UNEP Finance Initiative, the Partnership for Clean Fuels and Vehicles, the Strategic Approach to International Chemicals Management, the Global Network on Energy for Sustainable Development, APELL, Supporting Entrepreneurs for Environment and Development. He stated the need to redefine corporate social responsibility. He discussed the Global Reporting Initiative, which looks at financial sector and non-financial sector indicators, aiming to provide the financial sector with harmonized environmental indicators.

He finished by outlining some of the challenges that still face the UN in its partnering, including achieving an appropriate balance between the engagement of various bodies, having adequate funding, increasing all parties' willingness and ability to collaborate, and other similar concerns.

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PANEL PRESENTATION - MEDIA

1st panelist - Sergio Jellinek

Following Mr. Amin's presentation was the panel on the role of the media. The first panelist, [Sergio Jellinek](#) began his presentation by noting that the world of communications has moved beyond single messages given in a sender to receiver relationship to one in which communications is more about relationships and dialogue. He challenged the validity of the title of the panel, which he opined was out of date, still stuck in the paradigm of sender-receiver.

He next described the gap that communications needs to fill in order to achieve sustainable development. He said that communications needs to focus more on:

- the interconnectedness of sustainability issues;
- raising awareness that global environmental problems (climate change, ozone depletion, etc) have real local impacts;
- the importance of closing the implementation gap for international agreements which involve national commitments that are not carried through;

- the emergence of action-oriented multi-stakeholder coalitions that are having real impacts

There is a gap between local, national and global levels and a gap between discourse and reality.

He outlined further the current context of communication. Some of the trends that he pointed out were :

- the concentration of media ownership;
- the segmentation and specialization of media channels;
- the increasingly horizontal nature of communications due to the internet;
- the gap in perception of environmental concerns in developing and wealthy countries (Poor countries used to see addressing environmental concerns as being for rich countries that had already achieved economic development, they now see how environmental degradation impacts on health and quality of life. Rich countries still see environmental concerns more as conservation.)
- more savvy social mobilization and communication from more experience

He then went on to describe some of what has been learned from decade of social marketing and social mobilization about how to communicate in a way that brings about more sustainable behaviour

- awareness raising is not enough - it is not clear that it has an effect in terms of actions on the ground;
- explaining global trends like climate change is much easier when it can be related to the community (localize, localize, localize);
- ideas need to be communicated simply, and explanations need to point out how issues and effect people
- the issue of emotional connections is key-emotional reactions are much more useful than rational explanation-making the issues local and personal can do this
- the fact that there are more channels means that people have more choice, and that messages need to be sent in many different ways through many different channels
- there is a need to move from trying to send single messages to elevating the level of discussion and involvement on each issue
- within the sustainability movement, it is better to agree on the themes that should be addressed, rather than agreeing on a message

There is no longer a division between the rich and poor over whether the environment is important. Developing countries realize that wealth is affected by environmental quality, water and air pollution, etc. Thus, the environment is not a luxury concern.

When approaching the public with your message, consider it from their viewpoint, 'What's in it for me?' Get at people's emotions people act with their hearts. – Get local heroes, people everyone knows and recognizes, to talk and to be involved.

Regionalism still divides people. Getting closer to the people is important.

Media has fatigue on doom and gloom environmental stories. The Montreal Protocol was one of the most successful international treaties in reducing harmful CFC use. As environmentalists, we have to bring stories like this to the media.

Second panelist - Joe Chidley

[Joe Chidley](#) was the second panelist. His presentation focused on why many media outlets aren't covering sustainability issues, and how to move towards covering them. He began with a look at his magazine, *Canadian Business*. Mr. Chidley said that *Canadian Business* looks at environmental issues in an informed and non-partisan way. What they are interested in is how sustainability issues impact on business. He noted that sustainability issues are business issues, but often, they are difficult to package that way. He also noted that his magazine, as well as all other national media, are not doing as many environmental or sustainability stories as

they ought to be.

Mr. Chidley then went on to explain the reasons that these stories aren't being done as much as they should

1) The issues are complex. They play out over long periods of time, involve many parties, are political, and it is often difficult to know who to believe. There is suspicion of good news stories about environment because often those stories turn out to be a distortion. The complexity of these issues means that journalists not only have to educate themselves, but also inform readers, and spur readers to take initiative to look at them. In other words, it's hard to make challenging and complicated issues compelling.

2) The media in Canada tend to be followers ("consultants"), not leaders. We take cues from government, polls, (neither has given clear messages). What is easy to report on is conflict, hard to report on issues

3) In the new media landscape, media outlets are contacted more often and with more messages. It is very difficult to get new stories noticed through, because of the constant barrage of story ideas transmitted through email, calls, faxes, etc,

4) The media will start to focus more on the environment for a couple of reasons. One is the global commodity drain that will result from the growth of the developing world, eg. India, China. The commodity drain will bring new kinds of business news stories, and thus more coverage.

As a final note, he mentioned that more corporations are taking sustainability issues to heart, pushed by media and by scandals. He is hoping more business leaders will take these issues to heart

Third panelist - Evan Solomon

The third and final speaker on the panel was [Evan Solomon](#). Mr. Solomon began by talking about the value and market for communication. He began by reminding everyone of the basic economic maxim that scarcity creates value and abundance reduces value. He then went on to assert that there is a huge amount of information available to people through advertising, the internet, and news media. While producing this information and making sure it is available is important, what people value and what is marketable is meaning and perspective. People want help in making sense of the world.

Scarcity creates value. Real relationships, time and old fashioned communication are scarce, and thus valuable in communicating.

Marketers talk about price, information or customer values. Communicators need to think about these.

Mr. Solomon then went on to describe how to communicate meaning and how to create relationships with media consumers. One opportunity to begin to communicate meaning and create relationships is threshold events, such as the blackout. When such events occur people are seeking information about why the event has occurred and how it can be solved. People want to know more, but more information without context is useless. The blackout brought on a supply side, knee jerk reaction of dealing with the problem. It didn't consider the demand side. In fact, the grid had been working well since the 1940s. The supply side was not the problem.

There are technological solutions and social solutions. Social solutions trump technical solutions every time. Social ingenuity is more important than technological sophistication.

We need to be working always to create innovative, practical solutions and at critical points that is what we as communicators need to be supplying to the public. He described the trends that are leading to an increase in public receptiveness to such solutions.

The world is getting more complicated, and people realize that things are connected. Fertilizers in the Midwest farms do in fact affect the shrimp and crab fishing industry in the Gulf of Mexico.

Looking at issues through the lens of political ideology is not the right approach. People will back an issue that is not in line with their political party affiliations because of complex factors. Practical solutions are key.

He then went on to explain that in order to effectively communicate in a way that will create change communicators need to not act as critics, but like governors, providing solutions for those who don't agree with them. Some key aspects of effectively sharing those messages are to tell a story, tell it in language that everyone can understand (make it interesting, don't bore people with the facts), get the message out in many different ways (use tv for inspiration, not information, magazines for perspectives and connecting groups, radio for thoughtful ideas, and books for synthesizing all types of information and providing more detail to those who are already engaged), and to send messages that are wide ranging and nuanced. People need to be introduced to other people who are doing ingenious things, and given practical solutions and actionable information. For example, full cost accounting, and the triple bottom line. – These are practical potential solutions.

QUESTIONS AND ANSWERS

The question and answer period followed the presentations. The first question was from Claude-Andre Lachance of Dow Chemical Company. Mr. Lachance wanted to build on the idea that Mr. Solomon had mentioned of opinion being commoditized. If information has no value and opinion is now valuable what else is necessary to get people to act, is it trust? Mr. Solomon responded that there is opinion everywhere. The communicators that are most successful are the people who are not just filling time, but filling it with perspective. In any situation the person who is giving new information and perspective, will bring value to a forum. Mr. Chidley responded that it is hard to find good opinion. It is important and difficult to provide measurable results. Everyone wants to save the planet, but people need to know what's in it for them and what the practical solutions are. Developing these ideas in the public takes time, and media tends to not have enough time to talk about all of this.

The second question was from Betsy Darling of Carleton University. Ms. Darling was concerned about lack of academic voice in the media. News media don't report on the academic perspective. What is the relationship between academia and media? This question sparked a lively debate. Mr. Solomon responded that the media's job is to communicate interesting stories, academics are boring- academics need to learn to tell more of a story, and to send stories in a less academic way. Mr. Chidley stated that academia has to accept the needs of media to tell stories in a snappy, interesting way.

Mr. Jellinek said that there is a gap that needs to be bridged. Either university gets communication experts, or they don't get covered. The situation is the same in the World Bank and other similar institutions Mr. Chidley went on further to say that there is an opportunity for academics because they know what they're talking about. The issue is that academics need to learn how to communicate to different audiences. Mr. Solomon added that there are two different languages between academia and journalism. Neither is better, but both have their place.

Adnan Amin then mounted a defence of the boring. He said if he gets too interesting has a host of groups jumping all over him. He asserted that it is the media's job to inform themselves about the issues. The development of communication skills and understanding between academics and the media is a two way street. Also, he brought up the concerns of the consolidation of media

Mr. Jellinek responded that blaming the media doesn't get you anywhere. The problem is that we in academia and multilateral organizations don't know how to communicate and we don't know how to make the solutions that we have accessible.

Mr. Chidley said that concerning the issue of concentration of media, in this environment it is difficult, as a journalist, to communicate the stories that you want to tell, because everyone is covering the same issues. His experience is that in magazines, instead of concentration there has been a specialization of titles. As a result, it is getting harder to take a big picture view of things

Mr. Solomon asserted that media concentration in North America is happening at the same time as a proliferation of media channels. It is leading to vibrancy of communication there is a ton of information out there. If you want to see something out there, start it. Journalists have a responsibility to tell better stories. Also, we need to begin to measure value in business in new ways, for example, the triple bottom line, full cost accounting.

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CIELAP'S RESEARCH ON PARTNERSHIPS

Next CIELAP presented an overview of the research that it has been doing concerning partnerships for sustainable development. First Anne Mitchell gave an overview of the history and rationale behind CIELAP's work on partnerships.

Then Ravenna Barker gave a brief overview of the two papers that she has been working on to improve the usage of partnerships. The first paper that she presented was CIELAP's framework for policy at the Federal level to support sustainable development through partnerships. She said that to create this framework she looked at why the Federal Government is choosing to partner, what partnerships are, and if partnerships are an appropriate tool for achieving the federal government's aims. She shared her finding that the Federal Government is using partnerships to achieve the provision of more services at a lower cost, cheaper regulatory enforcement and the coordination of different types of knowledge in order to achieve sustainability, and that it defines partnerships as most types of joint working relationships. She also said that the Federal Government can achieve its aims through the usage of partnerships, but it must define what types of relationships it will undertake, with whom and in what contexts. She said that the paper provides an in-depth explanation of the types of collaborative relationships that the Federal Government can be a part of, the types of organizations that the Federal Government can partner with, the types of structures that

collaborative relationships can have, and the risks and benefits associated with all options.

The second paper that she presented was CIELAP's checklist for improving already existing partnerships. She said that this checklist explains what the ten qualities of effective partnerships are, why each quality is important, how to determine if a partnership has the quality and how to establish the quality if the partnership does not have it. She also listed the ten qualities. She finished by mentioning that the two papers and one other are currently available on-line at CIELAP's website for comment, and should be available for usage by the end of the summer.

PANEL PRESENTATION - GOVERNANCE

The following presentation was the panel on governance.

Barbara Senchuk

[Barbara Senchuk](#) of the External Advisory on Smart Regulation Privy Council Office of the Government of Canada gave the first presentation. She began by telling the delegates that the privy council is working on a Smart Regulation consensus document. The committee to produce this was formed in May 2003, with a 12-15 month timeline. The committee's guiding principles are:

- effectiveness
- cost-efficiency (good coordination)
- timeliness
- transparency
- accountability and performance

Smart regulation is protecting and enabling (both are equally important). The goal is more responsive regulation, less command and control. Smart regulation governs cooperatively for public interest, and must be aware of business world.

The Smart regulation strategy involved federal/provincial/territorial cooperation, international regulation compliance, risk management, government action instruments, reforming the regulatory process and capacity-building.

She ended her presentation by inviting people to participate in consultation later in the summer and inviting them to visit www.smartregulation.gc.ca.

Anne Mitchell

Next, the second panelist, Anne Mitchell spoke. Ms. Mitchell began with an overview of the sustainability problems facing the world, highlighting issues such as the growing gap between the rich and the poor, the current perception of economic need for constant growth, and the contradictory finite resources that our planet contains, the problems faced by poor countries, and the present and future problems that we face as a result.

She then began to outline the possible solutions to these problems. She said that the place to start is by

- 1) Understanding the complexity of the issues we are facing; and
- 2) understanding that the global economic system does not offer answers.

From that point, she said that the way forward is to work towards a more just, fairer, and therefore, more sustainable world. This means that growth in the rich north has to slow down to give those in the poor south a chance. We need to look for long term solutions that will lead to a fairer more equitable world. We need to be preventative rather than reactive. We need to focus on the long term rather than the short-term of the next election or the next corporate quarterly returns or AGM. We need to be inclusive rather than exclusive. We are still trying to mitigate

damage we cause rather than systematically identifying where we need to get to - to be more sustainable - and then designing the laws, the policies and programs to help us get there. She said that South Africa is one place that we can look to for lessons to guide us to where we want to go.

She then shifted her focus to creating such change within Canada. She said that the first step is to identify where we need to get to. We need to articulate a vision that is sustainable – one that focuses on quality of life rather than solely economic growth; one that focuses on cooperation rather than competition; one that focuses on supporting sustainable communities. And we need to be able to put our plans into action. We need to set the objective; develop the program and the rules-and-tools; then set indicators to measure; then test – are we contributing towards sustainable development – is the environment better off? What are the impacts on the economy and society? We also need champions.

She argued that a key to achieving these changes is meaningful public participation in government. She said that public participation is based on the principle that dialogue between decision-makers and the public benefits both parties. It allows the public to gain an understanding of government decisions and policies, while providing the government with input to help them design and implement a better and legitimate process. Effective public participation requires not only dialogue, but also the provision of relevant information and the allocation of adequate resources in advance.

She then outlined some of the governance tools that can help us to approach sustainability: education – to raise awareness about the need and the potential to change our habits – particularly our consumption habits; economic incentives – higher prices for unsustainable practices; reduce subsidies to unsustainable practices; provide incentives to change behaviour; and relevant mandatory regulatory mechanisms to encourage us to change behaviour.

Ms. Mitchell ended her presentation by saying that no one sector has the solutions. Government, the private sector and communities need to work together. These are not new concepts. Partnerships are not new. But encouraging meaningful public participation will help us move forward in a more sustainable direction.

David Fairman

Finally, [David Fairman](#) of the Consensus Building Institute spoke. Mr. Fairman discussed how to achieve sustainable governance using partnership. He illustrated his discussion using the Sao Francisco Basin Management Committee in Brazil as a case study. He began by giving the context of water management in Brazil. Brazil has a lot of water, but most of it is where people aren't living. Shifting water management methods has been linked to the process of political democratization. Partnerships are being progressively more used as the understanding of the players, how they are affected, and what they can bring has increased.

He then went on to tell the story of how a new water management plan was developed for the Sao Francisco river basin. The basin covers 500 municipalities and serves thirteen million people. The first step in the process of developing a new water management plan was to hire an NGO to figure out who all of the stakeholders in the basin were. Once the stakeholders were identified, a 100 member council (representing 13 million people!), which had the role of setting rules and guidelines for river usage, was formed through a consensus building process. The process involved engaging all user groups. Public education and outreach were fundamental to creating the council. Later, the council created a self-enforced river basin fund, and devised an integrated strategy to successfully address their water management issues.

Mr. Fairman explained that this story demonstrates that it is possible to achieve a very, very ambitious goal, (with challenges and conflicts), through a very simply clear process, and that very complex problems can be solved by engaging as many stakeholders as possible and by structuring in benefits for all participants.

QUESTIONS AND ANSWERS

The first question of the question and answer session was posed by Stella Chileshe with CIDA for Barbara Senchuk. She asked, concerning the advisory committee, was there community representation on committee and was there an academic representative? Also, what was the purpose of the committee (who is it to inform)? She also noted, regarding Ms. Mitchell's presentation that there is yet much to be done in South Africa. Ms. Senchuk responded that there was a professor from the University of Calgary on committee. There are no people that aren't affiliated with some sort of organization. The committee was formed at request of the Federal government. The representatives were chosen by the Prime Minister, to come back in 12-15 months with recommendations.

The second question was posed by Kenneth Ruffing of the OECD environment directorate for Ms. Senchuk. He asked, to what extent is the advisory committee recommending specific action? Ms. Senchuk responded that performance based incentives for continuous improvement have been included for things other than the environment. This is definitely part of what is "smart". There is a subsection on economic instruments, we are trying to provide some recommendations on how we could use economic instruments better.

Richard Ballhorn then asked Mr. Fairman how he has been involved in UN partnerships? Mr. Fairman responded that he was involved with the CSD multi-stakeholder process. He said that this is another very broad process. The role of the Consensus Building Institute was to find how to develop benefit from stakeholder processes. The core challenge for the CSD is to become more relevant and to become more project oriented. The WSSD was a good step towards that.

Richard Ballhorn then asked Ms. Senchuk if the issue of challenging policy decisions by saying that they're not based on good science has come up in the design of smart regulation? She responded that this issue had not come up.

Next David Odell asked Mr. Fairman if he thought that one of the reasons that the program in the Sao Francisco River Basin was probably so successful was that that people were paying for the water. Mr. Fairman responded that in general the more that groups are affected the more they will respond to new programs. The allocation of property rights around water is very tricky. All groups will not gain equally. Some will lose. You need to select the way that you will do things so that you choose mechanisms that maximize the total benefit and reduce the losses for others.

Next, Joan of the Green Tourism Association raised the concern related to Ms. Senchuk's presentation that in the development of "smart regulations" it is important to pay attention to what is meant by "the public interest". Ms. Senchuk responded that to address this issue, one of their recommendations is that there be a public interest framework that sets out a number of questions which draw attention to the public interest. At the very least we want to stimulate people to think about the public interest in developing policy.

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IPANEL PRESENTATION - RENEWABLE ENERGY

The next presentation was the panel on renewable energy. The panel moderator [Hilary Inyang](#) began with a brief presentation that explained the various types of alternative energy systems and the requirements of a viable energy system. He broke the types of energy into two categories, those available through the usage of new technology and alternative, renewable fuel sources.

The sources available through new technology are wind energy, solar energy, fuel cell technology, and some also consider nuclear technology to be a viable alternative, though it is very controversial and problematic. The alternative fuels are biomass and geothermal.

The three requirements of a viable energy system are availability, affordability and

accessibility. These systems aren't being used because there is a lack of infrastructure for introducing the energy that is generated into power grids or for supplying the energy for mass usage.

Paul Gipe

The first panelist [Paul Gipe](#) talked about the viability of wind energy. Mr. Gipe began with an overview of where in the world wind energy is being used, how effective it has been, and how much energy is being produced through the use of wind. He explained that wind power has the potential to supply a large percentage of the world's energy needs. Among the benefits of wind power that he listed are:

- the wind power industry is a job creation industry,
- wind reduces the use of fossil and nuclear fuels
- it is the most cost effective of new renewable energy sources, and
- it is relatively benign.

He said that the time to begin implementing wind energy systems has come, and that now is an appropriate time because the systems are now reliable, they are efficient, and the costs have declined since they are now more widely produced and implemented. He went on to describe the current era of distributed energy generation, which we are moving towards currently. Distributed energy generation systems are very resilient in times of change or problems, they lead to shorter lead times, they foster energy awareness for a conservation ethic, and lead to better distribution of the wealth produced by the energy generation. Mr. Gipe also described how the modular nature of wind power is beneficial, not only in that it is distributed, but also because it can be quickly installed when needed, in quantities that are as much as needed, wherever it is needed and by anyone.

Beyond talking about the benefits of wind energy in general, Mr. Gipe also talked about the benefits of community wind energy. Among the many benefits that he described for community wind energy are that it

- provides more power more quickly
- involves more people locally
- generates more money locally
- creates more jobs locally
- encourages community buy in
- strengthens rural communities
- creates a new cash crop for farmers
- is at a human scale
- is clean and green

Some examples that he listed of community wind power initiatives that have been successful included Danish co-ops such as Vindmolleaug, Sydthy Kabelaug in Denmark, Middelgrunden Co-op in Kopenhagen, and Toronto's WindShare.

He said that most wind energy development has been happening in Northern Europe, in Germanic and Francophone countries (not Anglophone). It has been growing in countries that have programs that support development of wind energy because they are willing pay for it, not because there is more harvestable wind. He said that some of the elements that have led to success in Europe have been

- the right price for a fixed period
- the right of interconnection
- and by-right permitted rural use

He ended by describing the potential for wind generation in Ontario and offering a perspective of great potential for wind generation.

Mike Bryan

The next panelist, [Mike Bryan](#) of BBI International gave an overview of the bio products industry and how it can drive a sustainable future. Mr. Bryan began by defining bio products, which are products made from renewable plant or animal materials. He then gave an idea of the many types of products that they include, from cleaning chemicals, to cosmetics, to fuels, to paper and paper products. Among the benefits that he described for bio products are environmental sustainability, economic sustainability, agricultural sustainability and energy sustainability. Two particular bio products, ethanol and biodiesel are bio-based products that can replace fossil fuels. Cellulose can be converted to ethanol. Most garbage in land fills is cellulose.

Mr. Bryan made a case for returning to a bio-based economy from an oil-based economy. He pointed out that with the exception of the last 125 years, human beings depended mainly on bio-based products for their lives. He described a future in which we will become more bio-based once again. Oil is not a sustainable resource, agriculture is.

Pierre Rivard

The final panelist to talk about renewable energy was [Pierre Rivard](#) of Hydrogenics. Mr. Rivard discussed the work of Hydrogenics in developing technology that will enable the usage of hydrogen as a fuel through the use of fuel cells and its potential to advance sustainability. He began by describing the value of fuel cells which is that they have

- high power generating efficiency,
- no harmful emissions
- low operating and maintenance costs
- high quality power
- low noise emissions
- design freedoms around electrification
- the ability to recycle component materials.

Mr. Rivard then described some of the logistical aspects of using hydrogen as a fuel. He first described the two basic units of production for using hydrogen, the fuel cell power module, and electrolyzer module. He then described how a regenerative fuel cell system works, including hydrogen generation and refueling. Next he described how fuel cells and wind turbines can work together, and how distributed hydrogen vehicles can actually generate energy and put it back into the grid. He also discussed how quickly and in what stages hydrogen fuel cells will be made market ready. He said that they will begin in utility vehicles of various sizes, move on to scooters, then buses, cars and finally trucks.

He projected that within in the next two decades, it will become economically viable to use hydrogen fuel cells to supply large quantities of energy. He concluded by talking about some of the achievements that Hydrogenics has made thus far, and reviewing the benefits of hydrogen energy.

QUESTIONS AND ANSWERS

The first comment of the question and answer period was posed by Tatiana Koveshnikova of York University to Mr. Gipe. She brought up the issue concerning the distributed nature of wind power that it seems possible that there will be major investors or major interests that will make wind controlled by a central power, not distributed.

Bill Rapley from the Toronto Zoo and the IUCN mentioned, concerning wind power, that bird striking can be an issue. His question was, how big an issue is it? Mr. Gipe responded that wind turbines will kill birds, how many and what kind is the question. He noted that each context is

different, and that is necessary to study bird strike in context and monitor carefully.

Kenneth Ruffing of the OECD asked Mr. Gipe about the costs that he had quoted for wind energy. He had said that wind energy costs 10 cents per kwh. He wondered if that was the price to consumers? Mr. Gipe responded that 10 cents (CDN) is the cost not the price. It is the cost of production. He said that there are lower quotes, but he doesn't believe that it is possible to produce it for less.

Mr. Ruffing asked Mr. Rivard about the year that he had quoted for possible commercialization of fuel cells of 2015. He asked what reduction in cost of fuel cells themselves he thought would be necessary for marketization by that time. Mr. Rivard answered that on the cost side-there are markets that make sense to enter into before the car market. One example that he cited was urban Purolator delivery vans which spend most of their time idling. It is during idling this is when gas engines are more energy intensive and hydrogen engines are much more efficient, hydrogen may be as cheap as gas in this contexts.

Dominico Pecora from Export Development Canada asked, can there still be a place for oil in this new energy future? Mr. Bryan answered that yes, there is a place, but it is going to become less and less cost-effective as a fuel. Mr. Rivard responded that there will be a mosaic of energies, not just one. He said that we need to use oil for other types of products, not for energy, and we need to save it for the production of those products. Mr. Bryan added that virtually anything that you can make from oil, you can make from grain, oil is not unique in that you can make a myriad of products from it.

PANEL PRESENTATION – PRODUCT STEWARDSHIP

Catherine A. Witt

The last panel of day one was the Panel on Product Stewardship. The first panelist was [Catherine A. Wilt](#) from the Center for Clean products and Clean Technologies at the University of Tennessee. Ms. Wilt began with an overview of what extended producer responsibility (EPR) or Product Stewardship is. She said that it is when manufacturers of a product take at least partial responsibility for the environmental impacts of their products. This includes the impacts of the components that the manufacturers select, to the impacts of eventual disposal or reuse of the products.

She described the benefits and drivers of EPR and Product Stewardship (green design incentives, take-back policy, product policy abroad, efficiencies), the principals for its application, and policy options (eg. extended environmental management systems, leasing systems, Design for Environmental programs, environmental purchasing and procurement) that can bring about EPR. She then gave some example of US EPR initiatives (deposit-refunds, carpet recovery, rechargeable batteries, thermostat recycling, voluntary government programs: energy star), and the challenges that stand in the way of effectively implementing EPR in the US.

Frances Edmonds

The second presentation on the panel was given by [Frances Edmonds](#) of Hewlett Packard. While Ms. Wilt gave an overview of EPR and Product Stewardship, Ms. Edmonds was able to illustrate how one company is trying to implement EPR. She outline the key elements of HP's EPR programs which include

- Design for Environment, which creates products that are safe, with reduced environmental impact
- Energy Efficiency, which focuses on making energy saving and ENERGY STAR qualified products
- Material Use, which reduces the usage of hazardous materials and decreases material use in the product and by the user (eg. eliminate (lead) paint, reduce numbers and types of materials)
- End of Life, which extends the useful product life and improves recyclability (eg.design

- for disassembly, or using recyclable plastic parts)
- Packaging, or reducing packaging volume and environmental impact

She described each program element in detail, how it is implemented, the successes that HP has had, and the challenges that HP faces in trying to implement each element. She ended by explaining the future directions that HP is exploring for further EPR.

Lisa Miron

Lisa Miron of Degradable Plastic Products Inc. (DPPI) described a new take on an old product that minimizes the lifecycle impact of the product from its inception. DPPI has created a plastic bag that biodegrades leaving only water, carbon dioxide, and a small amount of biomass. There are no toxic by products or contaminants. Unlike starch bags, they will decompose without microbial activity, and thus can decompose in an airtight environment, like a landfill. Ms. Miron began by explaining that plastics are a major reducible contributor to solid waste. She then described DPPI's biodegradable plastic bag, its advantages over other bags, and other applications of the plastic, including agricultural applications. Bags can be set with resin to degrade at certain time periods – 2 weeks, to 5 years. These bags won't interfere with current plastic bag recycling programs.

QUESTIONS AND ANSWERS

John Eby from CIDA began the question and answer period by noting that there has been a reduction of recycling in Ottawa, due to budget constraints and tax payers decisions. He noted that in this context it may become more difficult for companies to practice EPR.

Anne Mitchell from CIELAP noted that the first of the three Rs is reduce. Though EPR can help with reusing and recycling, we really need to focus on reducing. She particularly noted that cloth and canvas bags are a good alternative to plastic bags. Ms. Miron responded that she agrees, but that people are using plastics, and though we'd like to see less plastic usage, if people are going to use them, the biodegradable bag is a better choice. Ms. Wilt said that we need to be thinking about providing the correct incentives and perspectives. We need to start thinking about how our policies, corporate perspectives, etc can impact not only on bringing about better product stewardship but also on reducing the need for production in the first place.

Patrick Fothergill from Industry Canada raised the concern that Canada often responds to US's inaction and Canada gets many products from states. He noted that this may make it difficult to create a cohesive and enforceable policy around extended producer responsibility (EPR) in Canada. He further noted that individual states in the US seem to be taking on product stewardship policies. If individual states are able to take on EPR why can't Canada. Ms. Wilt responded that there certain types of products (those that create toxic wastes or are toxic, or which create very large volumes of waste) that cause huge management problems and/or risks for states and are costly for the states to take care of. For those types of products states have an interest in regulating EPR to reduce their own burdens. The one situation where federal policy around EPR tends to emerge is if several states regulate the same products for EPR, but do it in different ways. In these situations, there are so many hoops that have to be jumped through, that it can force federal policy.

Joan from the Green Tourism Association asked Ms. Wilt, concerning CARE (a carpet stewardship initiative) did Ray Anderson (the president of the carpet company Interface) or another carpet company, drive the process? Ms. Wilt responded that in fact there were two companies that really drove the emergence of CARE. The first was in fact Interface. Ray Anderson is a zealot in the field of EPR for carpet. Interface has even has carpet leasing. The second is Collins and Aikman who make carpet tiles. Their carpet tiles are PVC backed, which is not so good but, they will take back any PVC backed carpet and they recycle it completely into new products. Despite the relatively small market share of those two companies, they were able to push the dialogue. Another factor that helped is that almost all of the big carpet companies are within a 100 mile radius of each other.

The conference chair Richard Ballhorn wrapped up the day with some closing remarks. In them he reviewed some of the most interesting points and insights that different presenters had raised. His message to all of the delegates was to do two things. The first was to act on the material you have. The second was to network.

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INTRODUCTION

Day two of the conference was kicked off by the chair of day two, Gilbert Parent. Mr. Parent reviewed what had been covered the day before, what some of the main points had been, and what remained to be discussed. He then gave an overview of who the speakers would be for day two and what topics they would cover.

PLENARY

Dr. Kenneth Ruffing

He was followed by [Dr. Kenneth Ruffing](#), the Deputy Director of Environment at the OECD who delivered the day's keynote address. Dr. Ruffing began with an overview of the OECD's sustainability principles, policy making standards and policy instruments for environmental policy. There are four types of policy instruments that the OECD uses. They are voluntary approaches, economic instruments, and other instruments which focus on information and education. Dr. Ruffing spoke most in depth about economic instruments. The four types of

economic instruments that the OECD advocates the use of are:

- subsidy reform
- environmentally related taxes (they are politically difficult but, can be effective)
- domestic transferable permit systems
- voluntary agreements

He discussed how each type of instrument can work and how they can bring about change. He gave examples of environmentally harmful subsidies, and gave one example of what would happen if those subsidies were removed. He defined environmentally related taxes, and emphasized that their main purpose is to make those that use the environment pay for that use. He gave a number of examples of environmentally related taxes, and some of the potential benefits and problems with implementing such taxes. He then discussed tradable permit systems, outlining the conditions for a good operation of tradable permits, and the criteria for the evaluation of tradable permits. He briefly touched on what types of voluntary agreements are being entered into, and what their impacts can be. He said that using them to replace regulation is overstating their significance and that while they can be an important part of policy mix, research has shown that in many (if not most) voluntary agreements, companies aren't reducing any (or much) more than they otherwise would have. The beneficial aspect is that through voluntary approaches companies have to make public information about the cost of reducing emissions, and that this can help to set the regulatory standard. He further noted that research has shown that there are two main reasons that companies adopt environmental management systems. The first is because of regulatory stringency and the second is because there is government support. He ended his presentation by laying out a series of policy recommendations concerning the use of economic instruments for environmental improvement.

QUESTIONS AND ANSWERS

Patrick Fothergill from Industry Canada began the question period. He noted that there has been talk about using gas tax to fund transit. If the tax is effective in reducing the use of cars and fossil fuels, then revenue produced from the tax will fall. How should countries deal with this aspect of environmental taxation systems? Mr. Ruffing responded that countries need to raise revenues however they can. Environmentally related taxes should be used because they are effective. Countries that use them need to find other ways to generate revenue.

Neil Maxwell

The next speaker of the day was [Neil Maxwell](#) Principal of the Office of the Commissioner of the Environment and Sustainable Development. His presentation was about how well the Federal Government is doing on sustainable development. Mr. Maxwell began by describing the role of the Commissioner of the Environment and Sustainable Development and of the Auditor General. He then described his office's experiences with partnerships, and what they have learned about the key attributes of good partnerships and the partnership attributes important to government. He gave two examples of specific partnerships that the Federal Government has been a part of and what can be learned from them. He then went on to describe the Federal Government's track record on actually achieving sustainable development progress, focusing on the sustainable development strategies that each federal department has had to develop. He said that there has been progress towards sustainability, but not to the extent that the Federal Government has planned or promised. He concluded by suggesting ways that the delegates and ordinary citizens can hold the government accountable for what it has committed to. One of the tools that he described was Environmental Petitions.

QUESTIONS AND ANSWERS

Dominico Pecora from Export Development Canada (EDC) began the question and answer period. He said that beyond environment review the reviewers may be looking at sustainable

development and renewable energy initiatives. He wants to know when the office of the auditor general is going to begin doing reviews of Crown Corporations and when are Crown Corporations going to be responsible for developing sustainability plans and taking action. Mr. Maxwell responded that his office hasn't been looking so much at individual Crown Corporations. There have been a few cases in which they have addressed Crown Corporations in general, and addressing such things as energy. Crown Corporations are treated more like the private sector. When you see what the private sector has been doing they are often really innovating. He doesn't know how much innovation the Crown Corporations have been doing, and his office hasn't been looking at them, but he thinks that it would be a good idea.

Pat Northey of the Georgian Bay Foundation, an NGO noted that it sounded as if Mr. Maxwell was saying that the government doesn't have a clear vision and doesn't know what it wants to commit to. He said, if that is the case, does it fall to NGOs and civil society to determine the direction that government should take. Mr. Maxwell responded that the government has taken steps to define where it wants to go. The kinds of exercises that the government is using to define where it should be in twenty years in terms of sustainability have been engaging many groups and trying to get as great a diversity of perspectives as possible. NGOs have an important role in defining the emerging vision and direction of government, but it doesn't fall to them alone, and the government is already taking steps.

Mr. Northey also noted that it sounds like the private sector is taking the lead in pushing sustainable development forward. Does government now have a leading role? Mr. Maxwell responded that leadership in the government is necessary, and while many groups in the private sector are those who are implementing sustainability solutions, they are doing so because the government has been either pushing for or enabling such action.

Dr. Gerald Kraines of the Levinson Institute pointed out that both of the morning's talks pointed out important issues in structure and accountability. He noted that the government does not have the authority to institute a sustainability policy for both temporal and political issues. He said that there is a limit to the extent to which one can expect governmental structures to establish a policy that will create sustainability because of temporal nature of government and because of politics. He felt that it is necessary that NGOs push government and define the sustainability agenda. He also thinks that what Dr. Ruffing recommended in terms of economic instruments is where further effectiveness can come from, because it spurs action without the limited authority of one government.

Leslie from the Canadian Environmental Network disagreed with Dr. Kraines. She said that in her opinion sustainability needs to be a longer term goal and that we need an act to address it, something like the health care act. She also asked how it might be possible to get civil society to table and to be more meaningfully engaged in building sustainability. She suggested that for the next audit they might want to include some of the 2005 CSD issues in the agenda. She also wanted to know if the auditor's office ever reevaluate whether or not what they've suggested has been implemented. Her final concern was to explore the question of how it might be possible to get local commissioners for environment and sustainable development.

Mr. Maxwell responded first concerning sustainability planning for the long term. He noted that it is tremendously difficult to get any type of person to think in the long term. Some of the structural things that the government can do are to set up green taxes, economic instruments, legislations. Concerning looking at the 2005 CSD issues, he noted that his office is trying to do audit work to fit into the CSD process. The CSD is taking chunks of 2 years and looking at one topic at a time. The current issue is water. He said that they are orienting work to that and for next report they are looking at all sorts of issues around water. Concerning reevaluation, he noted that they do conduct reevaluations. When they make a recommendation they go back and see if the department has implemented it and publicly report on that progress of the lack thereof. Concerning public engagement he said that the environment commissioner of Ontario has been doing interesting work and that he had not thought about local environment commissioner positions, but thought that it was an interesting idea.

Carol Burchill from the Department of Foreign Affairs in Ottawa brought up an experience that she recently had at the Globe conference. When she was there she began talking to a business person from the UK who has created a renewable energy product. As they began talking she

asked him how the UK's sustainability strategy had impacted him. She was interested because she has been working on developing the federal sustainability strategy, and was wondering how much people doing sustainability work perceived an impact from these strategies. He responded that the government in the UK has been committing funds to development of sustainability technologies, and these funds enabled him to create his renewable product. She went on to describe a bit about the UK's sustainability strategy. In it they have set out a dashboard of twelve indicators that are relatively easy to measure and are important to the general public living in the UK. For example, for biodiversity they have selected the birds as the indicator of biodiversity, because birds are important to people in Britain. These indicators are actually driving action. Additionally, in departments they have public service agreements (PSAs). They approach the treasury and say, I'll do this if you'll give me the money to do it. It is a nice way to have accountability.

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PANEL PRESENTATION: LEADERSHIP

The next presentation was the Panel on the Importance of Leadership and Sending the Right Message. The first panelist was [Alison Braithwaite](#) of Walker Industries. Ms. Braithwaite began with a brief history of Walker Industries' environmental management system and described how she and her colleagues changed it to make it more effective.

The original environmental management system was very technical and didn't relate to the people who were doing the day to day work at Walker. The system was both difficult for them to implement and to relate to. They decided to create a new environmental management system that could give employees a personal connection to the environment through their work with

Walker. Two key concepts were to make it fun and to make the message clear.

The ideas that Walker needed to change in its employees and managers were:

- 1) the environment is out there, not here—replace with the environment is here
- 2) environmental protection is separate from operations- for – environmental protection is part of operations
- 3) environmental protection costs money-for- environmental protection saves money
- 4) we've always done it this way –for- there are new and exciting ways of doing things
- 5) just get it done and worry about that later-for-planning ahead
- 6) environment people take care of environment-for- everyone has a role

They also wanted to create a program that

- 1) Acknowledged the good that they were doing already. Examples include planting trees, creating farmland, composting, creating and providing habitat, gas utilization (Methane cogeneration for abitibi paper), improving surface water systems etc.
- 2) Acknowledged the business's history, culture and diversity
- 3) Had a good acronym, Earth 1st (Efficiently operate, Acknowledge our part, Reduce our impacts, Take time to plan, Higher environmental performance 1st)

To address these needs, those in charge of environment at Walker sent clear message, empowered employees, tapped into their desire to make a difference, gave them permission to initiate action on their own.

Neil Levine

The second speaker, [Neil Levine](#) of Suncor, outlined the business's method for improving its sustainability and where sustainability fits in their business. He began by giving an overview of what Suncor does, the scale of its operations and what different types of energy it is developing. He then went on to explain that sustainability is the core of their business strategy, and it creates a foundation for creating shareholder values. He said that sustainability is approached at Suncor through the following process: the Board of Directors sets policy, the Sustainability Steering Committee directs activities from the senior level, individual business units develop action plans, and individual employees implement the actions. They are successful because they integrate sustainability into every business decision, people at the top are engaged and enthusiastic, employees are given the tools that they need, and they measure and report on their progress. He then gave three examples of instances in which they have been successful, including climate change, in North East Alberta, and in Ontario. He concluded by talking about how Suncor benefits from their focus on sustainability

QUESTIONS AND ANSWERS

Anne Dufraine of Environment Canada began the question period by asking Neil Levine about the greenhouse gas reduction in extracting energy from the oil sands that he had mentioned. She noted that oil sands extraction is energy intensive. Given that, how are they reducing greenhouse gas emissions. Mr. Levine responded that they have a plan to continue to reduce the amount of energy that it takes to extract oil from oil sands.

Leslie from the Canadian Environmental Network then asked Ms. Braithwaite if Walker is publicly traded or privately owned. Ms. Braithwaite said that it is privately owned. She asked Mr. Levine how much money Suncor is investing in Ontario. He told her that they are investing

\$1.5 million.

Joan from the Green Tourism Association noted that in both presentations it wasn't clear how the organizations take care of the logistics of having employees implement environmental programs. She wanted to know how it is they pay for employees' time (if they do) to implement environment programs. Ms. Braithwaite responded that many of their environmental activities are part of everyday operations. She said that they also have an EARTH 1st committees that meets regularly and is made up of people that have an interest in the environment. She said that many of the programs that they come up with are just brought about through the individual interest and desire of employees working there. Additionally the management supports environmental work all of the time through outside trainings, for example by the Rocky Mountain Institute. It is all just part of the process. It has been important to let go of the idea that environment is separate, but is rather all part of operations. Mr. Levine responded that Suncor includes environmental concerns in all of its planning. The board gives directives for doing this. At the employee level, a large part of how they get real action is to educate and then follow through. For example, they sponsor the clean air commute, and support employees in undertaking actions on their own.

Patrick Fothergill of Industry Canada noted that achieving sustainability within a company has to do with leadership in incorporating sustainability values into the company, and finding the distinct business advantages to approaching sustainability. He went on to say that though sustainability concerns fall in the public interest it doesn't necessarily mean that the issues will be solved. He wanted to know what the panelist thought were the top 2 or three things that will drive change. Mr. Maxwell said that one of the most important things is that people are walking the talk. Another important driver is making the business case that there is a benefit to adopting sustainable practices. Keeping in mind that their license to operate comes from the communities that they serve and in which they operate is very important. As a result they have to maintain their reputation and reduce their regulatory burden. Mr. Briathwaite responded that at Walker the main driver was the frustration of those working on environment, that they had too much work to do, and not enough people to do it. People needed to be taught to do the work and their hearts needed to be engaged. Once that happened there was no stopping it. She also noted that Walker is a highly regulated company that requires a lot of government licensing. Part of the real license is getting the license from the community. A good environmental management system has shown the community that they are committed to reducing their negative impacts and functioning responsibly. Many of their customers need assurance that they are responsible. Finally, they also need the support of banks and insurance companies who need assurance that they are doing well and that they are not going to be a problem.

John Eby of CIDA asked if the government reduced subsidies, would Suncor still be viable. Mr. Levine responded that he didn't know, but he did know that the business is not heavily subsidized.

Gerald Kraines

The next speaker was [Dr. Gerald Kraines](#) of the Levinson Institute. Dr. Kraines presentation talked about how to achieve accountability in any type of organization, including a partnership. He began by giving the context of his work, which is the growing body of knowledge about systems, including leadership systems. He noted that the role of leadership is to leverage the potential of many people to go beyond what any individual, including the leader, would be capable of. He then drew a connection between sustainability and accountability, saying that sustainability is consistent with meeting shareholder values. He pointed out that most organizations squander 30% of their resources. He said that if they were well managed with all people held accountable for their actions, we could make a huge step towards sustainability.

Dr. Kraines then went on to describe how to achieve strong accountability and thus sustainability. He first explained that organizations should be set up as a basic chain so that every person has only one boss to whom they can be held accountable. Second, he advised that organizations stop managing for fantasy, realize the boundaries and limitations of their organization, and make policies that people can adhere to. He then laid out the four

prerequisites for accountability which are that:

- 1) Accountabilities are clearly defined, understood and agreed
- 2) Authorities and resources are sufficient to meet accountabilities
- 3) Outputs are accurately measured and assessed
- 4) Consequences (both positive and negative) reflect the degree to which accountabilities are met.

He then went on to detail each of the above four points and how they can be achieved within any organization, and the challenges that organizations will face in trying to achieve them. He concluded by laying out the key parts of good management systems, and the basic code of conduct for achieving accountability.

QUESTIONS AND ANSWERS

During the question period, the Enron scandal was brought up. It was asked if Dr. Kraines' message is that in this era we have to return to being credible. Dr. Kraines responded that the recent corporate scandals were a necessary evil. He said that at the end of the day, he holds the boards accountable. He said that there was too much apathy from boards to hold the executives accountable.

PANEL PRESENTATION: SUSTAINABLE TRANSPORTATION

Neil Irwin

The next presentation of the afternoon was the panel on sustainable transportation. The first presenter was [Neil Irwin](#) of the Centre for Sustainable Transportation. Mr. Irwin began by defining sustainable transportation. He said that the five requirements of a sustainable transportation system are that it is: capable of delivering the required level of services, compatible with the kinds of places we want to live in, conserving in terms of energy and other resources, clean in terms of environmental impacts, and cost-effective.

He then went on to describe each of these five qualities in detail. He then explained that the drivers for sustainable transportation are:

- the end of cheap gas and the need for conservation or substitutes
- socio-economic competitiveness and relative costs and benefits
- improved public health
- reduced deaths and injuries from transportation
- public opinion.

He said that the opportunities for sustainable transportation are

- more and better urban transit, walking and cycling
- TDM and TSM for more efficient transportation
- smart growth
- new technologies and renewable fuels

In order to bring about these new models, Mr. Irwin said that all three sectors need to be involved. Governments need to provide adequate funding, and governance for integrated planning, and needs to coordinate efforts at all three levels of government. The private sector needs to provide efficient delivery and some investment. The public needs to pay attention, demand good information, and call for and respond to sustainability initiatives.

Jonas Rabinovitch

[Jonas Rabinovitch](#) of the UN then provided the delegates with an example of a sustainable

transportation system that integrates the factors that Mr. Irwin outlined. He began by giving the context of wealth distribution, and the situation of the poor versus the rich, and noted that having sustainable, supportive and integrated transportation is not an issue of money but of priorities.

He then explained the transportation system of Curitiba Brazil. The system offers public transportation in five directions, each of which was already a natural direction in which transportation was most concentrated. The system is an above ground system that has most of the benefits of subways. Fares are pre-paid when you board. The busses have their own lanes, and so they don't have to contend with traffic. They are boarded without the use of steps, which reduces the wait time necessary. They are organized in five directions, which are connected by other bus routes that go around the city in concentric circles. There are large transfer points, where people can easily change directions and they run very frequently. The city was planned in order to have the routes of transit complimentary to commercial areas and housing. Housing was planned along the public transit routes, and some streets have been pedestrianized, to provide for central business areas near the transit routes. The system is operated by the private sector with no subsidies.

Mr. Rabinovitch described other complimentary programs in Curitiba that integrate sustainability into how the city functions. One example that he gave was the problem of garbage collection in poor areas in which there is little infrastructure. He described that the problem was solved by buying surplus food from farmers who were destroying some of their crops to keep prices reasonable, and selling the food to people in poor areas, not in exchange for money, but for bringing their garbage to a central location.

He ended by saying that Curitiba is not perfect, and still has many problems, and that it cannot be a model, but rather a reference for how sustainable transportation in one context can work.

QUESTIONS AND ANSWERS

Kenneth Ruffing began the question period by noting that parts of the system in Curitiba are over 30 years old. He wanted to know if there are other cities in Brazil and elsewhere who are adopting similar models or parts of the model. If not, he wanted to know what Mr. Rabinovitch thought the barriers are. Mr. Rabinovitch responded that Curitiba was the first city in Brazil to implement pedestrian streets and that now most Brazilian capitals have pedestrian streets. He said that there is a similar situation with recycling. He said that Bogota has since implemented public transit corridors and that Cape Town was interested in and used some of the principles implemented in Curitiba.

In terms of barriers, he said that political will was vital to achieving results in Curitiba and that without it nothing would have happened. He also said that he thinks that the issue of partnerships was an extremely important, and without "an equation of co-responsibility" achieving similar results would be very difficult.

Chantal of the Canadian Environmental Network wanted to know how affordable the transit system is because it is privately owned. Mr. Rabinovitch said that the entire system is run on a flat rate of 50 US cents. This enables those who live farther from the center of the city, who tend to be the poorest people, to use the system. The transit companies are paid by kilometer, not by passengers. The city does provide a subsidy in form of streets, lighting and terminals.

Partnering for Sustainability -- 2004 Conference Proceedings

Proceedings of the 2nd Bi-Annual Partnering for Sustainability Conference - Day 2

May 13-14, 2004 in Toronto

[Conference proceedings index](#)

To see speaker's biographies, click on name. (Biographies are in Acrobat format). For proceedings from the 2002 conference, [click here](#).

To order copies of the presentations from the 2004 conference, [click here](#) (due to the size of many of the PowerPoint files, presentations are only available on CD).

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PANEL PRESENTATION: SUSTAINABLE AND RESPONSIBLE INVESTING

Michael Jantzi

The final panel of the conference was the panel on sustainable and responsible investing. The first speaker was [Michael Jantzi](#) of Michael Jantzi Research Associates. Mr. Jantzi began by defining SRI as the integration of social and environmental parameters into the investment decision-making process. He said that the four pillars or instruments of SRI are:

- 1) screening-choosing those from sector who are doing very well, and selecting out those that are particularly bad. (It is a best of sector approach. SRI does not focus on only negative points of companies, rather, what they do, and though not perfect, how some are better than others.)
- 2) shareholder action-as owners of a company, shareholders we can bring issues to the floor and make the company change
- 3) community economic development
- 4) social venture capital

He then described the size of the sector. He said that when one becomes a social investor, they become a part of a larger community. In Europe it is a hugely growing sector (fastest growing segment of the investment market). He said that in the US 2.1 trillion dollars is invested in social and environmental issues- including pension plans in states (1 in every 9 dollars). He mentioned Calper and New York City Pension. In Canada 50 billion dollars (3-5 %) is being invested in SRI. He noted that what we define as a social investor is changing, the mainstream is beginning to pick up idea of greater responsibility in investment.

He then went on to describe how screeners evaluate companies. He said that the standards are

- aboriginal relationships (not only is there the moral//ethical case for this, but there is also a business case for this and for most of the following standards)

- community engagement
- corporate governance
- workplace diversity
- employee relations
- ethical business practices
- environmental performance
- human rights
- product safety

He then described that SRI is not only ethical, but also profitable. He illustrated with the case of the Jantzi Social Index. There are 60 companies in it the index. They are selected by the above qualitative standards, and a few exclusionary standards. The index outperformed the TSE and S&P since its inception.

He ended by posing the questions, can investing make a difference? Can we change the world with it?

Deb Abby

He was followed by Deb Abby of Real Assets Investment Management who helped to answer those questions. She presented the investment manager perspective of those who both want to make a difference and make money for clients. What they do is file shareholder resolutions. She said that until December 2000 it was difficult to file resolutions in Canada.

She then shared some stories of resolutions that were filed. The first was about a resolution filed with Enbridge. They had been involved in Columbia, where there had been many human rights abuses. The shareholder group wanted Enbridge to either pull out of Columbia or work towards better human rights. Since the resolution was filed Enbridge has directly intervened with Columbian government to try to improve human rights conditions.

She then explained some of the reasoning behind shareholder activism. One reason to be a shareholder activist is that investors have to make sure that companies are managing the social risks because these can become financial risks. A second reason is that major and events catastrophes have historically been downloaded to tax payers, but now governments are beginning to make companies take responsibility for their broader actions. One example is Climate change. Climate change risks may face lawsuits like those on the asbestos industry.

The second story that she shared was about trying to pass a resolution to get 5 Canadian banks to stop financing overly risky businesses. The resolution seemed overly ambitious, but has been well received by some banks, particularly the Bank of Montreal. The Royal Bank has also signed on to the UN Global Reporting Initiative. The third story was about getting Canadian resource companies that extract gold in sub-Saharan African countries to develop programs around AIDS treatment and prevention. The fourth was about getting Coke and Pepsi to respond to water issues.

She concluded by saying that shareholders can have a huge impact. Most people are investors. Choosing SRI is very wise because it can both reduce risk and increase shareholder value.

People vote every day with the purchases they make and the companies they support.

Steven Allen

The final panelist was Steven Allen of KAIROS. The role of KAIROS in investing is to help church investors to choose their investments in a moral way and to have their investments make a difference. One of the early projects of KAIROS was to work with banks and investors to make changes in South Africa. It took many years to get Canadian banks to stop investing in South Africa. At the time (1970s) the idea that banks and businesses had more responsibility than just shareholder value was radical and new. He said that now it is accepted that corporations have to consider the social, ethical and environmental impacts that they have and that it is beneficial for them to do so.

He then gave a bit of background as to what they do. He said that, as shareholders, they participate in annual general meetings year after year, submitting resolutions, engaging in dialogue, initiating and participating in global campaigns, and submitting briefs to the government. He said that their experience has been that voluntary codes are no replacement for regulation and legislation, thought they can raise the bar and stimulate more action. He said that the church's strategy is to engage constituencies across the country. This is effective because for churches there is a theological imperative to make sure that investments benefit all shareholders.

He then described one of their initiatives, which was a task force that began in early 90s in collaboration initiative with US and UK bodies to develop a framework for evaluating how corporations act across a whole number of standards. It is a project to develop benchmarks project. The initiative was in response to an international initiative to regulate corporations internationally which was blocked and turned into a voluntary initiative. The benchmarks have become a meaningful reference point from which to evaluate corporations.

He noted that influencing requires patience and persistence. He also said that the churches are committed to thoughtful and theoretical research. There is no government legislation that prohibits companies to work in countries or with people that abuse human rights. He argued that we must persistently bring these issues in front of corporations.

He then gave an example of both successful and unsuccessful initiatives that they have undertaken. In 1980s the churches brought several resolutions to Miranda meetings. Miranda decided to report on its activities and provide more information to its shareholders. It was a successful initiative. A failed initiative was an attempt to reform Talisman. The company was working in the Sudan during a period of intense conflict. The churches worked to convince Talisman that their involvement in Sudan was negatively impacting situation there. They failed to convince them and the company never took action. Last year the churches began to work on Imperial Oil. They presented two resolutions that asked for reports from company about potential risks in not addressing climate change. The resolutions were defeated, but drew respectable response and more importantly created a dialogue at the annual general meeting on climate change issues.

There is no government legislation that prohibits companies to work in countries or with people that abuse human rights. He argued that we must persistently bring these issues in front of corporations.

He concluded by saying that KAIROS and the churches have learned that it is important to collaborate nationally and internationally. They will continue to make regulatory recommendations, but they have learned that these things take time.

QUESTIONS AND ANSWERS

Kenneth Ruffing began the question period by commenting that the OECD has an instrument called Guidelines for Multinational Enterprises. These guidelines are a voluntary instrument that applies to all multinational enterprises. Through it is a voluntary instrument all OECD governments are required to push the acceptance of them, and to process complaints about company behaviour and to push the companies to change. Mr. Allen responded that these

guidelines could be an effective instrument, but as a shareholder the conundrum is that it is voluntary. In the case of Talisman, the company never acknowledged that they had any impact or responsibility. If there is no actual regulation, voluntary codes are limited in their effectiveness.

Patrick Fothergill from Industry Canada noted that markets thrive on information. In the wake of accounting scandals (Enron, etc) there is legislation coming to the US for reporting. What would the impact of such reporting be for investment? Mr. Jantzi responded it's not the US as much that is leading the way as Europe. For example in the UK companies will now have to report on social and ethical behaviours enough to "provide an accurate view of the company". He believes that disclosure is very important and thinks that if you're able to shine a light, it can be a powerful tool for change.

Jonas Rabinovitch said that he would like to take home 2 concrete ideas of incentives for corporations to increase their level of social and environmental responsibility. He noted that UN resolutions aren't binding and that perhaps incentives are another good way to get companies to act. He said that if he could hear some specific measures of incentive that could make a difference on the global level then he could share those at the UN. Mr. Jantzi responded that looking at changes in tax system and subsidies systems it would be possible to provide incentives. For example tax breaks are given for oil and gas exploration, which provide incentives for unsustainable behaviour. Removing those breaks can provide incentives. On the international level providing incentives is more difficult. Mr. Allen said that wherever we are and wherever we live there appear to be issues that are intractable. If there is a way for organizations and civil society to acknowledge how corporations are taking action to solve those problems, that can be a major spur to further action.

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