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# SMART REGULATION REPORT ON ACTIONS AND PLANS

*March 2005*

Canada The word "Canada" in a serif font, with a small red maple leaf logo above the letter "a".

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# Message from the President of the Treasury Board

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Canadians benefit from a regulatory system that is internationally recognized. The strength and effectiveness of our system allows Canadians to live in a clean environment, participate in a healthy economy, and engage in daily activities safely and securely. Yet, despite all that we can be proud of, the underpinnings of a good regulatory system include the ability to evolve. This means that the system remain adaptable to changing public priorities, and be forward thinking, transparent, and accountable to the citizens it serves.

Regulation has to keep up with a changing world that demands we focus not only on what needs to be regulated but also on the way we regulate and the way in which Canadians are able to assess regulatory performance. If we are to remain among the leaders in regulation, maintain our high quality of life, and develop our competitive advantage on the world stage, we must continually improve our regulatory models, both through our own efforts nationally as well as in co-operation with other countries.



Making a nation's regulatory system "smarter" requires a "whole-of-government" approach. This approach begins with my colleagues in Cabinet, who are leading initiatives that embody Smart Regulation principles, and who are helping to get our house in order by working together to break down the silos that impede efficiency in regulatory processes. It also extends to the provinces, territories, Aboriginal governments and municipalities, who must work co-operatively toward the common objective of better regulation that recognizes the interdependence of social, environmental, and economic objectives.

The views of Canadians, combined with advice from the Organisation for Economic Co-operation and Development (OECD) and the External Advisory Committee on Smart

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Regulation (EACSR), have been taken into account in this *Report on Actions and Plans*. It is my hope that citizens, non-governmental organizations, and industry will continue to influence and participate in this collaborative process. It is also my belief that our combined efforts will result in more adaptable regulatory models, along with a regulatory culture that provides Canadians with healthy choices and greater security, that is environmentally responsible, and that fosters innovation and a competitive edge for Canadian business.

I invite you to read this Report, learn more about Smart Regulation, and look at what we have done and what we plan to do. The federal government is committed to a process that is open and transparent, meaning that you will be updated on Smart Regulation initiatives regularly.

Much work remains ahead as we face the challenges of pursuing our regulatory goals; Smart Regulation means that we will do it right.

The paper version was signed by

Reg Alcock, P.C., M.P.

President of the Treasury Board and

Minister responsible for the Canadian Wheat Board

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## Why This Report?

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This Report is the first in a series of regular updates on Smart Regulation initiatives currently underway or planned. It is one way that the Government of Canada will report to Canadians, and supports our commitment to be accountable for this important and far-reaching initiative.

The following pages provide an overview of what Smart Regulation is, what regulatory renewal will mean to Canadians, and how the federal government plans to implement such renewal. The tables at the back highlight specific regulatory initiatives undertaken by various departments and agencies that support the government's regulatory renewal goals. The number of projects and initiatives will continue to grow as the scope of renewal expands. Future editions of this report will describe both new initiatives and progress on existing ones.

You may also view this report, information on how regulatory management is being strengthened, and other news on Smart Regulation by visiting **[www.regulation.gc.ca](http://www.regulation.gc.ca)**.

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## Contact Us

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We welcome your comments on this report and how we can make it more useful to you.

Please call **613-996-1603** for information, or send your comments or questions to **1100-155 Queen St.**  
**Ottawa ON K1P 6L1**

or to **[info@smartregulation.gc.ca](mailto:info@smartregulation.gc.ca)**.



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# What Smart Regulation Means to You

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Canada has been recognized internationally as having a strong regulatory system that contributes to our economic and social well-being. However, this system is being challenged by today's realities—rapid scientific and technological advancements, global markets, and cross-boundary health and environmental risks. Canada's regulatory system must be renewed to ensure that it keeps pace with evolving needs, and that Canada's social and economic goals are continually met through effective and timely regulation. A “smarter” regulatory system recognizes the need to safeguard the health and safety of Canadians, ensure a healthy environment, and create the conditions for an innovative and competitive economy.

## ***What Is Regulation?***

Regulation, in its broadest sense, is a principle, rule, or condition that governs the behaviour of citizens and enterprises. Regulation is used by governments, in combination with other instruments, such as voluntary standards and taxation, to achieve public policy objectives. Regulation has an impact on virtually every aspect of our lives: the products and services we use, the medications we consume, and the foods we eat. Canada's regulatory system helps advance the quality of life for current and future generations.

Smart Regulation will contribute toward

- better access for consumers to new, safe, and effective therapeutic drugs and medical devices;
- more consistency, and improved predictability and accountability for environmental assessment processes;
- greater availability of newer and safer pesticides for the benefit of farmers, human health, and the environment;
- greater access for Canadian exporters to markets abroad, stimulating job creation and economic growth along the way;
- a more responsive regulatory framework for Aboriginal communities, including tools to enable First Nations to better manage on-reserve resources and revenues;
- greater understanding and support for the needs of large industries, including approaches that recognize the magnitude of private sector investment and the importance of a transparent and efficient regulatory regime;
- fewer regulatory layers for small- and medium-size enterprises (SMEs), who traditionally bear a large share of regulatory burden, and less administrative burden for citizens, businesses, and government; and
- more timely, predictable approval processes without sacrificing necessary protections and management of risks.

The federal government is building the foundation for a regulatory system of which all Canadians can be proud, and on which they can rely.

## Smart Regulation and Your Health

What is government doing to help improve access by Canadians to safe, effective, and affordable drugs?

Health Canada's Therapeutic Access Strategy is helping the government to improve the timeliness, efficiency, and transparency of the drug review process; exercise greater vigilance with respect to the safety and therapeutic effectiveness of products in the marketplace; and improve access by Canadians to appropriately used and cost-effective drug therapies.

Improvements underway include:

- Enhancing the transparency of regulatory decisions by publicly disclosing scientific and risk-based decisions that provide the basis for Health Canada to grant market authorization for drugs.
- The use of project management tools and approaches, to improve the timeliness and efficiency of the drug review process.
- Formalized arrangements with the United States and Australia aimed at greater collaboration and shared expertise.

- International standards for electronic product submissions.
- Strengthened post-market inspections to ensure industry compliance with obligations to report adverse drug reactions and issues relating to the efficacy of new drugs.

There has already been a substantial reduction in the backlog of pharmaceutical submissions and an increased number of submissions are being reviewed within internationally comparable time targets. These developments will help improve access by Canadians to new drug therapies that have been proven safe and effective, while benefiting industry through a more predictable and efficient regulatory process.

## Smart Regulation and Protecting Fish Habitat

What is government doing to reduce the amount of “red tape” while at the same time protecting fish habitats?

Fisheries and Oceans Canada is taking a more proactive approach to improve project approval processes across the country. For example, mechanisms to help determine levels of risk associated with activities on or near water are being put in place to simplify approval processes for low-risk projects.

The renewed Habitat Management Program allows the department to review major projects in ways that will improve timeliness and consistency in decision making and better harmonize reviews with other organizations.

Canadians will benefit by having information available to them that will allow them to meet legal requirements with less scrutiny from government on low-risk initiatives, such as when building docks in areas where the risk of harm to fish habitat is low. Projects that pose higher levels of risk to fish habitat will receive greater scrutiny. Fish habitat will continue to be protected from potentially harmful activity through more effective decision making across all levels of government, and by the allocation of federal resources to activities that need them most.

## Smart Regulation and Reducing Paper Burden

What is government doing to stimulate investment and reduce burden on Canadian businesses?

Among the concerns most often cited by small- and medium-size businesses is the impact that regulation has on the cost of doing business in Canada and the ability of firms to attract investment. The concern stems from the impact of the many different regulations that are managed by the various jurisdictions and branches of government. Costs associated with regulation can have economic consequences, which affects jobs and the prosperity and standard of living of Canadians.

The Advisory Committee on Paperwork Burden Reduction aims to identify initiatives that will reduce

the regulatory burden on business, and to evaluate the government's performance in reducing the paper burden over time. The committee is unique in that it is co-chaired by Industry Canada and the Canadian Federation of Independent Business, and includes representatives from other federal departments, the provinces and territories, and business associations. Among the first outcomes will be baseline data on the cost of regulatory compliance by firms of different sizes.

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# The Road to Smart Regulation

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In recent years many federal government departments and agencies have begun the process of improving the way in which they manage their regulatory processes. While improvements have been made, more work is needed. Smart Regulation will put in place a coordinated system that will enable the federal government to introduce, implement, and review regulation across government and industry sectors more effectively, and that will improve the quality of regulation and the ability for Canadians to comply with regulation and assess how we perform.

## A Look Back

The federal government has set a clear direction for how we will make our regulatory system a key competitive advantage for Canada. In setting this direction, we have sought the input of recognized experts in the field, both within Canada and internationally.

We invited the Organisation for Economic Co-operation and Development (OECD) to assess the current regulatory climate in Canada. In its 2002 report, the OECD found that Canada has a mature and well functioning regulatory system that is matched by few OECD countries. It also noted that there is room for improvement.

The federal government created an External Advisory Committee on Smart Regulation (EACSR). This committee conducted public consultations and released its report in late 2004. The report identified sectors and areas requiring regulatory reform and provided recommendations on a regulatory strategy for Canada.

These and other commentaries on our regulatory system were used by the federal government to identify shortcomings and plan our way forward.

## A Global Effort—A Uniquely Canadian Approach

The fact that the OECD reviewed the regulatory systems of 18 countries highlights the fact that Canada is not alone in its efforts to renew regulation. The United Kingdom has established a Better Regulation Task Force that helps the British government improve the quality of regulation in that country. The European Union and the United States have implemented similar regulatory reform initiatives.

The Government of Canada's Smart Regulation initiative is uniquely Canadian and has, above all, the interests of its citizens and institutions in mind. It recognizes that social, environmental, and economic goals are interdependent, and ensures that we continue to meet high standards and support a competitive business environment.

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## Smart Regulation promotes

- better coordination across the federal government and with other jurisdictions to help meet national objectives;
- integration of social, economic and environmental considerations at all stages of policy and regulation making;
- improved transparency, efficiency and timeliness of regulatory decision-making processes;
- use of the best available knowledge, both within Canada and abroad;
- strengthened planning and priority setting; and
- enhanced ability to identify, manage and mitigate unintended impacts of regulation.

Working and sharing information with others influences the protection of health and the environment from risks that transcend boundaries, and helps reduce market barriers to trade and investment. Smart Regulation means that Canada will offer our best to the international regulatory community, enabling others to learn from us. At the same time, we will learn and, in some instances, adapt the regulatory practices and standards of other countries when it is in the best interest of Canadians. Indeed, several federal departments have established mechanisms with other countries to develop standards jointly, and thereby meet common social and economic objectives.

## Working Toward a New Partnership in North America

The November 30, 2004 Joint Statement by Canada and the United States on a New Partnership in North America outlined an agenda to increase security, prosperity, and quality of life. It identified the objectives of expanding economic opportunities and increasing the competitiveness of North American businesses through partnerships, consensus standards, and “smarter” regulations that result in greater efficiency while enhancing the health and safety of citizens. It called for the creation of more technology partnerships that promote the clean and efficient use of energy resources. It also committed to build on joint efforts to achieve clean air and water and enhance public health coordination for infectious disease surveillance.

## “Whole-of-Government” Thinking

The involvement of multiple regulators can sometimes create conflicting requirements which makes compliance with regulation difficult. Smart Regulation encourages policy coherence among departments, and promotes the development of regulation using a “whole-of-government” approach. This means that all departments and agencies of the Government of Canada have a role to play in reducing the unintended consequences of distinct and conflicting requirements.

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Many areas of regulated activity span the mandates of multiple government departments and levels of government. For example, a food processing company must interact with multiple departments and agencies including the Canadian Food Inspection Agency, Agriculture and Agri-Food Canada, Health Canada, Environment Canada, and Industry Canada. Companies are also subject to the regulations of other levels of government, who need to work in partnership in areas of shared responsibility. Smart Regulation is aimed at bridging the mandates of individual regulatory bodies, taking a holistic view of policy issues and creating an environment in which compliance is more easily achieved.

Among the first steps toward improving regulatory co-operation is getting the federal house in order. This means changing the way departments and agencies do business. Greater efficiency in regulatory processes means that Canadians will benefit from greater coherence among the regulatory branches of government, which, in turn, enhances both accountability and transparency. It will be easier for Canadians to identify who is responsible for what, and where to turn for answers.

### Building Effective Federal/Provincial/ Territorial Partnerships

The intergovernmental working group on regulatory reform, co-chaired by Canada and British Columbia, is an example of strengthened partnerships in support of regulatory co-operation. The working group shares best practices, works on common principles and tools, and is a forum to discuss regulatory governance initiatives, such as smart regulation implementation. Flowing from this initiative was the March 2005 conference hosted by British Columbia, one of the provinces in which regulatory renewal is making strong advances. The conference, which was held in Victoria, was designed to encourage a culture shift and build capacity in governments for regulatory reform and Smart Regulation through lessons learned on successful federal and provincial regulatory projects implemented in British Columbia.

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## Taking Stock

Both the OECD and EACSR reports called on Canada to pay more attention to reviewing the large stock of existing regulations. Therefore, as part of the “whole-of-government” approach to regulatory renewal in Canada, we will review certain statutes and regulations in existence to ensure that duplication and redundancy are minimized, regulatory needs are rationalized, processes are improved and, where possible, simplified, and that Smart Regulation principles in the areas of innovation and competitiveness are balanced with our health, security, and environmental well-being.

## Implementation Strategy

Implementation of Smart Regulation will take place in three strategic areas:

- *Strengthening regulatory management:* improved analysis, review and rationalization of the existing stock of regulations; enhanced planning and priority setting; improved monitoring and reporting based on risk; and bolstered regulatory capacity in government.
- *Improving coordination and co-operation:* increased collaboration, common goal-setting and knowledge sharing within the federal government, among all other levels of government, non-governmental organizations, and internationally.

- *Measuring performance:* greater consensus among stakeholders on priority initiatives; realistic performance targets and measurement criteria; enhanced predictability; and monitoring of progress on specific initiatives.

The cornerstone of the government’s implementation strategy is to strengthen and expand the scope of the federal regulatory policy based on Smart Regulation principles. This and related policies will be designed to strengthen the development, implementation, and evaluation of regulatory regimes, and create a “life-cycle” approach that will enable regulation to be continuously improved in all sectors.

One way in which regulatory processes can be improved is greater use of concurrent decision making among regulatory bodies. Concurrent decision making—a system in which more than one regulatory body actively works on a given regulatory issue at the same time—is, in turn, required to help streamline regulatory approval processes. This is a marked departure from existing consecutive decision-making processes that contribute to inefficiencies.

Among the key elements of a new regulatory approach will be a more consistent approach to risk management across federal departments and agencies. Managing risk is essential to allocating resources to where they are needed, and to setting priorities that will result in desired outcomes. A new regulatory approach will involve



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classifying risk in terms of probability and impact, and developing risk thresholds below which government would not intervene through regulation. The classification of specific risks would be reviewed regularly to take into account new science, changing behaviours, and results achieved.

As part of the Smart Regulation implementation strategy, the Government of Canada will consult with and seek the ongoing participation of citizens, businesses, provincial and territorial governments, municipalities and non-governmental organizations in order that they, too, can help shape a new regulatory approach and take responsibility for results and successes achieved. The creation of an external Regulation Advisory Board will be one forum for this ongoing stakeholder participation. Implementation of these and other elements of Smart Regulation will place demands on the skills and resources of departments and agencies. To meet this challenge, current regulatory capacity will need to be reviewed, departmental resource needs assessed, and a strategy for enhancement developed.

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## What Progress Has Been Made

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### Smart Regulation Theme Tables

Improved federal coordination of regulatory activities will be achieved, in part, by focusing on “themes” that reflect government priorities and stakeholder interests. A series of interdepartmental “theme” tables have been established to strengthen our ability to manage regulation, coordinate regulatory renewal initiatives, and inform the regulatory process with up-to-date and critical information that reflects the needs and expectations of Canadians, as well as the concerns of all stakeholders.

Through these tables, representatives from various government departments and agencies will have a forum to exchange information on concerns identified with a given department (as well as by respective stakeholders), coordinate regulatory agendas, establish priorities, and identify areas that may be affected by proposed regulatory action. They will also share best practices on how Smart Regulation principles can be used to strengthen regulation actions and activities, while at the same time improving federal, provincial, territorial, and international co-operation. It is anticipated that theme table discussions will lead to the creation of working groups made up of government and stakeholder representatives to address issues identified.

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The theme tables will also work in support of departmental government-stakeholder forums set up to deal with regulatory related issues. Information from these forums will be fed back into the whole-of-government system to ensure that federal departments and agencies are systematically kept abreast of sectoral initiatives. For example, information from the four Environment Canada multi-stakeholder tables dealing with environmental issues in the chemical, energy, mining and forestry sectors would be shared and discussed, from a regulatory perspective, at the Smart Regulation Theme Table on Sustainable Environment. This will ensure that departments and regulatory frameworks across government, even those peripherally involved in environmental issues, are linked to and supportive of the priority policy agendas established in consultation with stakeholders.

Inaugural sessions of most of the theme tables were held in December 2004. Many federal departments and agencies are involved in one or more of the theme tables. While the level of progress will vary from one table to another, participants have already begun the process of identifying opportunities for further work or discussion. A more fully developed vision and work plan for each theme table will emerge as a result of future meetings. More details will be provided in the next edition of the Report.

The themes reflect the government's agenda for

- A Healthy Canada,
- Environmental Sustainability,
- Safety and Security,
- Innovation, Productivity, and Business Environment,
- Aboriginal Prosperity and Northern Development.

Theme table participants will be challenged to ensure greater coherence across regulatory regimes, minimize unintended effects of regulation, and find better ways to provide effective protection. Coordination across federal mandates will be an important element of meeting these challenges, since issues discussed at one theme table may have implications for others, and may also span the mandates of multiple departments. Plenary meetings will take place at least twice each year—an opportunity for all five theme tables to collectively resolve issues.

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## Theme Table Discussion Topics

### A Healthy Canada

Regulations help Canadians remain healthy and safe from health risks. They promote safe and effective products and services, good nutrition, and a healthy living environment. Sustaining a healthy Canada will require a regulatory system that is not only flexible and responsive, but also proactive. A regulatory strategy in support of a healthy Canada will need to address the ethical and social debate over regulation that reflects Canadian values; the need for government to address technologies (such as biotechnology and nanotechnology) that span numerous government mandates; the consistent application of risk management practices; and regulatory co-operation between governments.

#### **“Smart” moves for Canada**

The presence of trans fats in food raises cholesterol levels in the blood, increasing the risk of heart disease. The House of Commons motion on trans fats in November 2004 called on the federal government to enact regulation that would limit trans fat content in food sold in Canada. As a result, Health Canada is chairing a task force aimed at developing recommendations and strategies to reduce trans fats in Canadian foods to the lowest levels possible. The task force includes representatives of food processing and food services industries, health associations, and academia. These groups will have early involvement in the development of regulatory policy concerning the issue of trans fats.

### Environmental Sustainability

Canada must protect its natural assets to ensure the long-term health of its citizens, the environment, and economic prosperity. Regulation supports environmental sustainability by pursuing integrated and complementary goals of clean air, water and soil; diverse ecosystems; healthy citizens; thriving communities; and an innovative and competitive economy. Regulation that helps to sustain the quality of our natural environment must recognize that the protection of environmental health cannot be achieved in isolation, or by government alone: it requires coordinated efforts across the federal government, and working in co-operation with partners at the provincial, territorial, Aboriginal, and international level, as well as with industry and environmental groups. This theme table will provide a mechanism to encourage such co-operation and coordination, and will contribute to regulatory responses that establish clear accountability across jurisdictions.

#### **“Smart” moves for Canada**

Two Memoranda of Understanding (MOU) were signed with the objective of creating more coordinated and integrated regulatory approval and environmental processes for offshore petroleum development projects in Nova Scotia and Newfoundland and Labrador. The agreements were signed by a number of federal departments and agencies along with the two provinces to establish a clear process that supports the common goal of building an oil and gas industry that is economically viable, internationally competitive, environmentally sustainable and offering the highest level of health, safety and environmental protection.

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The agreements were developed through the Atlantic Energy Roundtable and are intended to improve co-operation among all parties involved in the review and approval of large-scale offshore oil and gas development projects. Building on the principles of Smart Regulation and recent amendments to the *Canadian Environmental Assessment Act*, these agreements ensure that regulatory reviews proceed concurrently rather than sequentially, resulting in important time savings and efficiencies without compromising public interest objectives.

## Safety and Security

The Safety and Security theme encompasses areas of regulation that contribute to a safe and secure society. This includes such diverse issues as the safety of our transportation systems, emergency preparedness, security of borders, and protection of critical infrastructure. These complex issues involve many federal departments and span many jurisdictions. Regulation must provide integrated solutions to these concerns and support a strong economy and the network of Canada's economic and security partnerships. New approaches should facilitate data sharing between the federal government, stakeholders, and other jurisdictions, and the coordination of activities of departments and stakeholders to improve preparedness and response capabilities.

## "Smart" moves for Canada

Transport Canada has been working with automotive manufacturers on an agreement for the safety of in-vehicle telematics devices (such as navigation systems, Internet access, and mobile phones). The agreement will include safety standards and principles underpinning product design, development, evaluation, manufacturing, and installation.

## Innovation, Productivity, and Business Environment

Regulation underpins the operation of the market system, the main source of economic growth and Canadian prosperity. Without the rule of law (including property rights, commercial contracts, and competition law) the market system would be unable to function properly. In addition to laws governing the economy and social objectives, there exists an array of administrative laws that require individuals and businesses to obtain licences and permits to engage in various activities.

While regulation is essential to protecting the public interest, it is not without an economic cost. Regulation imposes significant costs on businesses and citizens to comply with regulations, as well as costs on government to administer and enforce them. Regulation needs to be designed to achieve desired economic and social policy objectives while minimizing costs that hinder productivity. For example, focusing regulatory attention on areas that

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pose the greatest risk can help reduce the overall regulatory burden. This will also apply to reviewing the existing stock of regulations.

Innovation, one of the main drivers of productivity growth, has been linked to regulatory frameworks governing intellectual property protection as well as, foreign direct investment. Successful commercialization of innovation depends, in part, on a predictable and responsive regulatory regime that encourages competition and promotes consumer confidence. This theme table will engage departments to find ways to enhance innovation, productivity and the business environment while more effectively meeting social objectives.

#### “Smart” moves for Canada

BizPal is a web-based service that will allow businesses to easily generate a customized list of the permits and licences required by all levels of government. By providing a one-stop resource for obtaining information about federal, provincial/territorial, and municipal government requirements, the steps for regulatory approval will be clarified and the burden for business reduced.

## Aboriginal Prosperity and Northern Development

Aboriginal and northern communities have long maintained that their well-being is inextricably linked to the benefits derived from the sustainable development of land and resources. Regulation plays an important role in the development of such lands and resources. Pressure on the regulatory regime that underpins such development is mounting, as Aboriginal and northern communities and their partners pursue larger scale development projects. This pressure is most evident for commercial and industrial projects on reserve (First Nation) lands, as well as for environmental assessments both north and south of 60.

Most reserve lands and resources of First Nation communities are subject to regulations made pursuant to the *Indian Act*, which can place significant administrative burdens on those seeking approval for land transactions and permits. With regard to commercial and industrial projects, major regulatory gaps exist, thereby limiting economic development on reserve.

Canada’s stewardship of reserve lands requires a unique approach involving First Nations, federal departments, and provincial/territorial governments. This approach should provide the basis to further enable First Nations to develop the capacity required to manage their own affairs, including the development, implementation and

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enforcement of regulation in support of economic development. As more Aboriginal communities become self-governing or undertake negotiations on self-government, measures are needed to encourage a co-operative relationship between regulatory jurisdictions, including with new Aboriginal regulatory authorities.

In the north, a recent boom in development activity, most notably in diamond and gold mining, and oil and gas, has drawn attention to the need to further develop appropriate regulatory mechanisms. New regulatory initiatives are aimed at providing northern communities with the necessary tools to develop lands and resources in a sustainable way, create employment and business opportunities, establish appropriate environmental safeguards, and advance social well-being.

#### **“Smart” moves for Canada**

The First Nations Oil and Gas Moneys Management Act will allow First Nations to assume direct control over oil and gas resources on their reserve lands, enabling First Nation communities to participate directly in the energy sector. Similarly, continuing efforts to improve coordination of the multi-jurisdictional environment assessment and regulatory process for the Mackenzie Gas Project in northern Canada will improve the focus on issues of key importance to Aboriginal and northern communities.

## **Theme Table Participants**

Many federal departments and agencies with regulatory mandates will be involved in one or more of the theme tables. The following is a list of departments and agencies that have participated (or are expected to participate) in theme table discussions. The composition of the tables will continue to evolve as needed.

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### **A Healthy Canada**

- Health Canada
  - Public Health Agency of Canada
  - Canadian Food Inspection Agency
  - Pest Management Regulatory Agency
  - Industry Canada
  - Agriculture and Agri-Food Canada
  - International Trade Canada
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## Environmental Sustainability

- Environment Canada
- Natural Resources Canada
- Health Canada
- Canadian Environmental Assessment Agency
- Fisheries and Oceans Canada
- International Trade Canada
- Agriculture and Agri-Food Canada
- Canadian Nuclear Safety Commission
- National Energy Board
- Transport Canada
- Indian and Northern Affairs Canada

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## Safety and Security

- Public Safety and Emergency Preparedness Canada
- Public Health Agency of Canada
- Natural Resources Canada
- Canadian Nuclear Safety Commission
- Industry Canada
- Transport Canada
- Agriculture and Agri-Food Canada
- Royal Canadian Mounted Police
- Canadian Border Services Agency
- Canadian Food Inspection Agency
- Citizenship and Immigration Canada
- Canadian Firearms Centre

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## Innovation, Productivity, and Business Environment

- Agriculture and Agri-Food Canada
- International Trade Canada
- Fisheries and Oceans Canada
- Industry Canada
- Environment Canada
- Natural Resources Canada
- Transport Canada
- Canada Revenue Agency
- Health Canada
- Canadian Grains Commission
- National Energy Board
- Canadian Food Inspection Agency
- Competition Bureau

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## Aboriginal Prosperity and Northern Development

This theme table will hold its first meeting in 2005. Participation is expected to include the following:

- Indian and Northern Affairs Canada
- Human Resources and Skills Development Canada
- Environment Canada
- Health Canada
- Agriculture and Agri-Food Canada
- Royal Canadian Mounted Police
- Fisheries and Oceans Canada
- Industry Canada
- International Trade Canada
- Transport Canada
- Natural Resources Canada



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# Smart Regulation Initiatives

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This section highlights specific regulatory initiatives, planned or underway by various departments and agencies, that support Smart Regulation. The initiatives are grouped according to subject themes that correspond to Smart Regulation objectives and theme tables, including the objectives of *improving coordination and co-operation*, and *strengthening regulatory governance*. Improved regulatory governance and better coordination and co-operation are key to delivering a whole-of-government regulatory agenda that achieves desired outcomes: higher quality regulation that best serve the public interest, enhanced transparency, more efficient and better regulatory practices, and greater accountability to Canadians.

Initiatives presented here will be updated regularly and used to review and track progress on various aspects of Smart Regulation implementation. However, progress may have been slower on certain regulatory initiatives than others, such as consolidating federal environmental assessments and developing a framework for biotechnology. Updates on this and other important initiatives will be described in the next and subsequent editions of the Report.

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# Improving Coordination and Co-operation— National Regulatory Co-operation

## SMART REGULATION INITIATIVES

Theme: Improving Coordination and Co-operation—National Regulatory Co-operation

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Federal, Provincial and Territorial Working Group on Regulatory Governance:</p> <p>Currently co-chaired by British Columbia and the Government of Canada.</p> <p>Provides a forum to lay the foundation for a shared approach on how to manage regulation.</p> <p>Includes developing common regulatory principles; instituting a consistent approach to Regulatory Impact Analysis; and sharing best practices.</p> <p>Discussions are underway on how to broaden participation to include Aboriginal governments.</p>	<p>Establishes the foundation for shared principles and approaches to managing regulation across Canada.</p> <p>Facilitates greater regulatory consistency across federal, provincial and territorial governments.</p>	<p>Businesses, NGOs and citizens: Consistent approach to managing regulation across all levels of government.</p>	<p>PCO and offices in provincial and territorial governments are responsible for regulatory governance.</p>	<p>First meeting held March 15, 2005. Further meetings to discuss regulatory governance initiatives to be held in 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Improving Coordination and Co-operation—National Regulatory Co-operation

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Framework for International Regulatory Co-operation:</p> <p>Will identify strategic priorities across the federal government, coordinate and set objectives, and guide departments and agencies in their efforts to co-operate internationally (bilaterally, multilaterally or within international organizations).</p> <p>Will provide an agreed, strategic approach to help departments and agencies identify opportunities for regulatory co-operation that provide the highest possible value to Canadians.</p>	<p>Provides a coordinated approach to help regulatory departments identify priorities with respect to</p> <ul style="list-style-type: none"> <li>• fewer obstacles to trade and investment;</li> <li>• improved management of transboundary risks to Canadians;</li> <li>• use and enhancement of scientific knowledge relating to regulation, standard setting, and risk management; and</li> <li>• sharing of best practices within the international community (e.g., OECD, WHO, OIE, CODEX).</li> </ul>	<p>Departments: Ability to tap into best regulatory practices in other jurisdictions and leverage regulatory resources.</p> <p>Industry: More competitive trade and investment climate.</p> <p>Canadians: Better protection from transboundary risks (e.g., SARS, BSE, Avian flu, terrorism).</p> <p>Improved access to safe products and services.</p>	<p>International Trade Canada and PCO</p> <p>Other departments and agencies will be involved in developing the framework and advancing sectoral initiatives.</p>	<p>A working group has been established.</p> <p>Consultations will take place throughout 2005.</p> <p>Final framework to be developed by end of 2005–2006.</p> <p>Departments will identify priorities on an ongoing basis.</p>

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# Improving Coordination and Co-operation—International Regulatory Co-operation

## SMART REGULATION INITIATIVES

Theme: Improving Coordination and Co-operation—International Regulatory Co-operation

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Regulatory Co-operation in North America: The Joint Statement on a New Partnership in North America (Nov. 30, 2004) commits to pursuing joint approaches to partnerships, consensus on standards, and regulations that result in greater efficiency and competitiveness, while enhancing the health and safety of Canadians.</p>	<p>Improved co-operation, reduced compliance burden, less duplication, and more efficient regulatory processes.</p> <p>Encourages innovation.</p> <p>Provides regulators with incentives to focus on areas in which they have expertise.</p>	<p>Public: Improved access to products, while ensuring security and health and safety standards.</p> <p>Canadian industry and investors: Improved competitiveness and access to North American markets.</p> <p>Enhanced efficiency and reduction in trade barriers at the border.</p>	<p>Various departmental leads, including CFIA, Health Canada, AAFC, ITCan, DND, PSEPC and the Policy Research Initiative (PRI).</p> <p>The PRI will provide research support, where required, to identify opportunities for regulatory co-operation with the greatest potential benefit to Canadians. The PRI will also examine international lessons in effective regulatory co-operation.</p>	<p>Individual or collective initiatives will unfold on an ongoing basis with results to be reported periodically.</p>

## SMART REGULATION INITIATIVES

Theme: Improving Coordination and Co-operation—International Regulatory Co-operation

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Canada–EU Framework on Regulatory Co-operation:</p> <p>Aimed at preventing and eliminating unnecessary regulatory barriers to trade and investment through increased information sharing, dialogue, transparency, and working level co-operation (e.g., Sanitary and Phytosanitary Standards (SPS); emerging therapies; organics; potentially fighting e-mail SPAM).</p>	<p>Facilitates co-operation between policy makers, experts, and regulators.</p> <p>Demonstrates commitment to regulatory co-operation with Canada's second largest trading partner and provides guidelines on how such co-operation should take place.</p> <p>Promotes better understanding of each others regulatory system.</p>	<p>Industry: Facilitation of trade and investment.</p> <p>Enhanced climate for competition and innovation.</p> <p>Canadian exporters: Enhanced opportunities, particularly in food and agriculture, forest products, metals and minerals.</p> <p>Public: Better ways to meet Canadian standards for health, safety and the environment.</p>	<p>ITCan, with federal regulatory departments and agencies.</p> <p>Industry/businesses that conduct trade with EU, the public and federal regulators.</p>	<p>Framework adopted on December 21, 2004.</p> <p>Other individual or collective departmental initiatives will unfold on an ongoing basis, with results to be reported periodically.</p> <p>CFIA and Health Canada approached the European Commission (DG SANCO) in fall 2004 to propose development of a mechanism in SPS that would seek to achieve closer co-operation in plant and animal health and food-related human health.</p>

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# Healthy Canada



## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Therapeutics Access Strategy:</p> <p>Designed to provide timely access to safe, effective, appropriately used, and affordable therapies, and to encourage new, cost-effective therapies that address significant health needs.</p> <p>The strategy has three specific objectives:</p> <ul style="list-style-type: none"> <li>• To improve the timeliness, efficiency and transparency of the drug review process;</li> <li>• To exercise greater vigilance with respect to the safety and therapeutic effectiveness of products on the market; and</li> <li>• To improve access by Canadians to appropriately used and cost-effective drug therapies.</li> </ul>	<p>Better synchronization of decision-making steps (i.e., between market authorization decisions, in price determination, and for formulary listings).</p> <p>International co-operation and harmonization.</p> <p>Better use of evidence from other jurisdictions.</p> <p>FPT co-operation to better manage drug costs and drug plans.</p> <p>Enhanced risk management.</p> <p>Greater accountability.</p> <p>Capacity building.</p>	<p>General public and health care professionals: Timely access to new drugs and therapies.</p> <p>FPT: Cost savings in health care systems and drug plans.</p> <p>Pharmaceutical industry: Increased timeliness, efficiency and transparency of drug review process, more predictable and timely regulatory decisions, and better research climate.</p>	<p>Health Canada (lead) PMPRB, CCOHTA, CIHI, FPT</p>	<p>Progress to date, using resources provided in the 2003 Budget:</p> <ul style="list-style-type: none"> <li>• Elimination of review backlog for brand name pharmaceutical submissions.</li> <li>• Reduction of review backlog for generic drugs by 45 percent.</li> <li>• Doubling of pharmaceutical submissions reviewed within internationally comparable time targets (30% in 2004 compared to 16% in 2003).</li> </ul> <p>Objectives:</p> <ul style="list-style-type: none"> <li>• Clearing of review backlog for generic drugs by March 2006.</li> <li>• Internationally comparable review performance for pharmaceutical submissions by 2006.</li> </ul>

## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>MOU Relating to Amendments to Schedule F and Table II in Division 15, Part B of the <i>Food and Drug Regulations</i>. Initiates a 30-month pilot to streamline the prepublication requirements (in <i>Canada Gazette</i>, Part I) for two types of Health Canada regulatory submissions:</p> <ul style="list-style-type: none"> <li>• Amendments to Schedule F (which governs prescription drug status); and</li> <li>• Table II in Division 15, Part B (which establishes Maximum Residue Limits (MRLs)) for pesticides in foods.</li> </ul>	<p>Streamlined regulatory process (reduced by up to six months), while preserving rigorous scientific review and maintaining existing consultation with stakeholders and trading partners.</p>	<p>Drugs: Consumers will have quicker access to new prescription medicines and faster reimbursement from private insurers. Industry will be able to bring nonprescription products to market sooner.</p> <p>Pesticides: Industry will be able to sell new products sooner (currently, a treated crop may not be harvested/sold until the MRL has been published). Growers will have quicker access to new and safer pesticides.</p>	<p>Health Canada (lead), ITCan, PCO</p>	<p>MOU signed in February 2005. Implementation underway.</p> <p>Assessment of pilot: Target, July 2007.</p>

## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Electronic Regulatory System for Pesticides:</p> <p>Launch of the world's first web-based service for conducting pesticide regulatory activities, including submission of product information and adverse event reports.</p> <p>The system uses secure government channels to allow industry regulatory representatives to send information directly to the Pest Management Regulatory Agency (PMRA), and for PMRA to work with the information on-line.</p>	<p>Enhances efficiency of regulatory process, which contributes to timeliness of decision making.</p> <p>Facilitates harmonization and work sharing in North America and with OECD countries.</p>	<p>PMRA: Will be able to process, manage, use and report on pesticide information in a secure and efficient manner.</p> <p>Stakeholders: Enhanced responsiveness and timeliness.</p>	<p>PMRA (lead), industry, FPT and international working groups.</p>	<p>Pilot of Application Module to begin April 1, 2005.</p> <p>Full implementation to be determined upon completion of pilot (two to three months).</p>

## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Standards-Based Regulatory Framework for Cells, Tissues, and Organs for Transplantation (CTOs):</p> <p>Based on a call for mandatory safety standards (i.e., enforced in regulations), Health Canada is developing a new regulatory framework based on national standards recently developed by the Canadian Standards Association (CSA). The objective is to balance the need for safe CTOs with the need to ensure availability for transplantation. Referencing of standards will provide for flexibility to keep regulations updated, while minimizing the need for lengthy regulatory amendments.</p>	<p>Canadian model for international standards and co-operation.</p> <p>Shared responsibility with provinces and territories.</p> <p>Consolidated single-window approach to regulation.</p> <p>Incorporates risk management approach.</p>	<p>Public, hospitals, and health care professionals: Increased confidence in safety of CTO products for transplantation.</p> <p>Exporters to Canada: Clear standards.</p> <p>FPT governments: Specific regulations against which to assess safe practices.</p>	<p>Health Canada (lead), Public Health Agency of Canada, CSA.</p>	<p>Regulations incorporating standards to be finalized in summer 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Cosmetic Ingredient Labelling: Regulations requiring cosmetic manufacturers to comply with an international standard relating to ingredient disclosure.</p>	<p>Adoption of an international standard. Greater transparency about the ingredients used in widely used products, such as make-up and body lotion.</p>	<p>Consumers: Full disclosure of ingredients used in cosmetic products. Health care practitioners: By knowing all ingredients, will be able to treat adverse reactions more effectively. Industry: Consistency with other jurisdictions; products can be more easily labelled for sale in multiple markets.</p>	<p>Health Canada (lead), cosmetics industry and health professionals.</p>	<p>Regulations approved December 2004. Two-year implementation to allow industry to use existing stock and prepare new labels for existing products.</p>

## SMART REGULATION INITIATIVES

Theme: Healthy Canada

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Multi-Stakeholder Task Force to Reduce Trans Fats in Canadian Food:</p> <p>A multi-stakeholder task force will develop recommendations and strategies to reduce trans fats in Canadian foods to the lowest levels possible. The task force will include representatives of food processing and food service industries, health associations, government, and academia.</p>	<p>Key stakeholders will be involved early in the process of developing regulatory policy.</p>	<p>Consumers: Trans fats raise levels of LDL-cholesterol ("bad cholesterol") in the blood, increasing the risk of heart disease. Alternatives to trans fats in foods will reduce this cardiovascular risk factor.</p> <p>Food industry: Recommendations will be practical and achievable.</p>	<p>Health Canada, along with the Heart and Stroke Foundation of Canada, will chair the task force.</p> <p>Representation from the following groups:</p> <ul style="list-style-type: none"> <li>• FPT Group on Nutrition (provincial representative)</li> <li>• FPT Food Safety Policy Committee (provincial representative)</li> <li>• AAFC</li> <li>• CFIA</li> <li>• Agri-food industry sector along the full continuum, from production to retail and food service</li> <li>• Disease/health voluntary NGO sectors</li> <li>• Academia</li> </ul>	<p>Recommendations regarding public education, labelling, and immediate opportunities for food service and food processing industries, spring 2005.</p> <p>Recommendations to Minister of Health on appropriate regulatory framework for introduction and widespread use of healthy alternatives to trans fats, by November 2005.</p>

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# Environmental Sustainability

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Environmental Process Modernization Plan:</p> <p>Plan to reorient the Department of Fisheries and Oceans' (DFO's) Habitat Management Program.</p> <p>Components include a risk management framework for managing habitat referrals; streamlining practices to provide guidelines for <i>Fisheries Act</i> requirements for low-risk activities; improved coherence and predictability to ensure fairness and credibility; a new management model for DFO's responsibilities for environmental assessments and major projects to improve program delivery; and a renewed emphasis on partnerships to address common fish habitat issues.</p>	<p>Focused on activities posing the greatest risk to fish habitat.</p> <p>Compliance burden is reduced by single-window assessment approach, which includes provinces and territories.</p> <p>Increased predictability and coherence of program delivery by working more closely with other regulatory authorities and stakeholders.</p> <p>Positions the department to identify and review major projects in order to improve timeliness and consistency in decision making, and to better harmonize reviews with other organizations.</p>	<p>Industry: Easier compliance with <i>Fisheries Act</i> for low-risk activities Improved timeliness and predictability.</p> <p>Greater responsiveness, flexibility and transparency.</p> <p>Canadians: Fish habitat is better protected for present and future generations.</p> <p>DFO: Greater effectiveness and efficiency in the delivery of regulatory responsibilities.</p>	<p>DFO Canada (lead)</p> <ul style="list-style-type: none"> <li>• CEAA and, potentially, other federal agencies</li> <li>• All provinces and territories</li> <li>• Canadian Council of Fisheries and Aquaculture Ministers (CCFAM )</li> <li>• Federation of Canadian Municipalities</li> <li>• Industry stakeholders</li> <li>• Aboriginal groups and NGOs</li> </ul>	<p>2004–2005: Risk management model developed and piloted.</p> <p>Generic habitat management agreements concluded with four provinces, others in progress.</p> <p>June 2005 (target): Begin discussions on federal and provincial processes (e.g., permits) for single-window service delivery for low-risk activities.</p> <p>2005–2006: Advance agreements with national resource industry associations and discussions with other key stakeholders to collaborate on improving fish habitat management.</p>



## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Seismic Mitigation Regulation Under the <i>Oceans Act</i>.</p> <p>With increased seismic exploration in search of oil and gas reserves, there is an urgency to address the issue of marine noise. Based on DFO-commissioned peer-reviewed science papers, DFO is preparing national standards that will require mitigation measures to be employed by all seismic operators, notably for the oil and gas sector.</p> <p>Aimed at protecting the sensitive aspects of the marine environment from potential harm from seismic activities.</p>	<p>Increased predictability and consistency of program delivery by working closely with other regulatory authorities.</p> <p>Strengthened partnerships with key stakeholders.</p> <p>Explicit and up-front mitigation measures that allow oil and gas exploration to proceed in a manner that protects and conserves marine environment.</p> <p>Standardized mitigation measures to ensure a consistent national approach from DFO.</p>	<p>Oil and gas industry: Improved predictability in decision-making process, faster review and authorizations.</p> <p>Canadians: Marine environmental quality.</p>	<p>DFO (lead), offshore boards, oil and gas sector, NRCan, researchers, ENGOS, Aboriginal groups, provinces (DFO is collaborating with Nova Scotia, Newfoundland and British Columbia. Quebec has been invited to be part of the process.)</p>	<p>Technical consultations are underway. Implementation is expected early in 2005–2006.</p>

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Environmental Assessment MOUs for East Coast Offshore Oil and Gas Development:</p> <p>To increase certainty and predictability for participants in review process, and to set out principles and approaches to ensure effective, coordinated and concurrent discharge of legislated responsibilities.</p>	<p>Speedier process.</p> <p>Increased FPT co-operation.</p> <p>Improved communication between proponents and regulators.</p> <p>Process certainty and predictability.</p> <p>Reduced overlap, duplication and project delays.</p>	<p>All stakeholders: More timely and predictable environmental assessment and regulatory review processes.</p> <p>Industry: More competitive investment climate in the offshore.</p>	<p>Canadian Environmental Assessment Agency (CEAA) (coordinating lead)</p> <ul style="list-style-type: none"> <li>• NRCan</li> <li>• DFO</li> <li>• Environment Canada</li> <li>• Transport Canada</li> <li>• NEB</li> <li>• CNSOPB</li> <li>• CNOBPB</li> <li>• Newfoundland and Labrador Natural Resources</li> <li>• Nova Scotia Energy</li> <li>• Nova Scotia Environment &amp; Labour</li> </ul>	<p>Ratification of MOUs was announced in February 2005. Implementation is underway.</p>

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Consolidating Federal Environmental Assessments:</p> <p>Consolidation of the environmental assessment process, currently scattered across some 30 federal authorities, to get the federal house in order, provide clearer accountability, and improve consistency and timeliness.</p> <p>The <i>Canadian Environmental Assessment Act</i> applies before a federal department, board or agency makes a decision about a proposed project as the proponent, source of funds, land manager, or regulator.</p>	<p>Will focus resources on projects of greatest concern and ensure that environmental assessments are applied consistently across projects and sectors.</p> <p>Will streamline procedures, particularly for early process decisions, thereby improving timeliness.</p>	<p>Industry: Improved timeliness and consistency, especially for large-scale development projects (e.g., mines, oil and gas, hydro generation, etc.) worth billions of dollars of potential investments each year.</p> <p>Provinces and industry stakeholders: Will be able to deal with a single body for federal environmental assessment.</p> <p>Public: More consistent application of Act.</p>	<p>Canadian Environmental Assessment Agency (lead), other departments, agencies and bodies that are "federal authorities" under the <i>Canadian Environmental Assessment Act</i>, such as HRCan, DFO and Environment Canada.</p>	<p>Consultation on options for consolidation with the Minister's multi-stakeholder Regulatory Advisory Committee, provinces and territories, and Aboriginal groups.</p> <p>Spring 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Competitiveness and Environmental Sustainability Framework:</p> <p>Aimed at achieving long-term environmental sustainability by fully integrating environmental performance with competitiveness, innovation and investment cycles.</p> <p>Will be supported by five pillars: decision making; science and technology; information; performance promotion and enforcement; and engagement and outreach.</p>	<p>Will be developed in collaboration with provinces and territories, industry, NGOs, Aboriginal groups, and other key stakeholders.</p> <p>Improved efficiency and effectiveness through long-term focus based on business realities; rewarding results; decisions informed by science; and single-window approach.</p> <p>Increased predictability and transparency through comprehensive and ambitious long-term targets backed by regulations.</p>	<p>Citizens and business: Long-term environmental sustainability will enhance the well-being of Canadians, preserve our natural environment, and advance long-term economic competitiveness.</p> <p>Canadians: Focus on priorities, and alignment of policy instruments and incentives with business cycles.</p> <p>Greater opportunity to maximize environmental, health, and economic benefits.</p>	<p>Environment Canada (lead), OGDs, provinces/territories, industry, Aboriginal groups, NGOs.</p>	<p>Canadian Council of Ministers of the Environment (CCME) committed (November 2, 2004) to developing an integrated framework to improve environmental management in Canada by fall 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Chemicals Co-operation with the US and other OECD countries:</p> <p>Canada is working co-operatively within the OECD to increase mutual understanding and acceptance of hazard and risk assessment of new substances, and to identify strategies for overcoming barriers to co-operation.</p> <p>A pilot project is testing a "parallel notification process" aimed at simplifying and streamlining access to multiple markets for new chemicals, while ensuring high standards of health and environmental protection.</p>	<p>Advances co-operation and alignment of Canadian, US, and international new substances regulatory regimes.</p> <p>Builds on Canada–US Four Corners Arrangement.</p> <p>Facilitates work-sharing and exchange of assessment data.</p> <p>Seeks to improve documentation decisions and resolve issues related to the treatment of confidential business information.</p>	<p>OECD countries: Will understand and accept one another's results, which will facilitate better protection of human health and the environment.</p> <p>Businesses: Can submit a single notification and assessment dossier.</p> <p>Following national review, can market in other jurisdictions.</p>	<p>Environment Canada and Health Canada (leads), OECD and representatives of their respective chemicals sectors.</p>	<p>Pilot project underway.</p>

## SMART REGULATION INITIATIVES

Theme: Environmental Sustainability

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Pulp and Paper Air Quality Forum:</p> <p>Follow-up to joint project by Environment Canada and the Forest Products Association of Canada (FPAC), which recommended putting in place a new and collaborative mechanism to bring together federal and provincial governments, industry, environmental and Aboriginal groups.</p> <p>Development of a ten-year action plan to manage multi-pollutant air emissions from pulp mills across Canada will be undertaken by a multi-stakeholder group.</p>	<p>Increased FPT co-operation: Governments will work together to provide single-window access for industry.</p> <p>Predictability for industry in planning and implementing environmental investments.</p> <p>Will explore innovative approaches to managing air emissions, such as linked federal and provincial requirements and instruments; fiscal incentives for major environmental performance improvements; and breakthrough technologies.</p>	<p>Governments: Greater clarity on roles and more efficient governance.</p> <p>Industry: Greater clarity and predictability on environmental objectives.</p> <p>Opportunity for innovative approaches that improve competitiveness and environmental performance.</p> <p>Environmental and Aboriginal groups: Transparent process with clear objectives and opportunity to influence how they are met.</p>	<p>Forum chaired by industry CEO</p> <ul style="list-style-type: none"> <li>• Environment Canada (lead)</li> <li>• Health Canada</li> <li>• NRCan</li> <li>• British Columbia, Ontario, Quebec, Alberta and Atlantic governments</li> <li>• Aboriginal groups</li> <li>• Environmental NGOs</li> </ul>	<p>First meeting held on February 7, 2005.</p>



# Safety and Security

## SMART REGULATION INITIATIVES

Theme: Safety and Security

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>MOU on Telematics:</p> <p>Agreement with automotive manufacturers on safety of in-vehicle telematics devices (e.g., navigation, Internet access, cell phones).</p> <p>Includes a process-oriented safety standard and the general principles and process elements that should underpin product design, development, evaluation, manufacture and installation.</p> <p>Manufacturers will report annually on which products fall within the MOU and may be asked by Transport Canada to provide data reflecting the safety of telematics products.</p>	<p>Applies an alternative instrument (MOU) that facilitates the production of safer telematics devices. Compared to the alternative of federal regulations, the MOU approach provides a timelier, more proactive reduction of risks, while preserving flexibility and innovation in product design. MOU represents an example of governing co-operatively in the public interest.</p>	<p>Citizens: Safer use of telematics in vehicles.</p> <p>Protection from the risk of driver distraction and collisions.</p> <p>Industry: Less unnecessary burden.</p>	<p>Transport Canada</p>	<p>Consultations on terms of agreement underway.</p> <p>Target for signing of MOU: fall 2005.</p>



## SMART REGULATION INITIATIVES

Theme: Safety and Security

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Safety Management System Regulations for Aviation Organizations:</p> <p>A formalized framework consisting of safety goals, performance targets, risk assessments, responsibilities and authorities, rules and procedures, and monitoring and evaluation processes.</p>	<p>Performance-based, providing aviation organizations with the flexibility to decide how safety requirements are to be achieved.</p> <p>Promotes culture of risk management within aviation organizations.</p>	<p>Aviation sector: Increased capacity to address safety issues before incidents occur.</p> <p>Public: Safer air travel and aviation sector.</p>	<p>Transport Canada</p>	<p>Final approval/publication in <i>Canada Gazette</i>, Part II.</p> <p>Target, summer 2005.</p>

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# Innovation, Productivity and Business Environment

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Aquaculture Framework Agreement:</p> <p>The challenge to regulate aquaculture lies in shared FPT jurisdiction. Provinces and territories are mainly responsible for managing the operation of fish farms and issuing licences and leases (except for Prince Edward Island), while the federal government is mainly responsible for assessing the impacts of fish farms on the environment, wild fisheries, and navigation. Aquaculture must be regulated effectively to improve public confidence in the government's ability to manage an emerging industry that contributes to the Canadian economy and provides a source of affordable, quality seafood.</p>	<p>Clearly defined roles and responsibilities between two levels of government.</p> <p>Elimination of duplication and promotion of cost sharing.</p> <p>Strengthened FPT collaboration.</p> <p>Better coordination of federal roles and activities.</p> <p>Consistent, credible decision-making process that considers both socio-economic and environmental factors.</p> <p>Standardized environmental monitoring process and activities that streamline application processing while maintaining high level of environmental protection.</p>	<p>Governments: Will share information and establish consistent and clear policies.</p> <p>Industry: Harmonization will allow for one application with all information necessary for FPT processing. Transparent and streamlined application process will improve industry competitiveness internationally and provide employment for Canadians in coastal communities.</p> <p>Canadians: Access to affordable and healthy year-round food source and enhanced environmental protection.</p>	<p>DFO (lead)</p> <p>Main partners: CFIA, Environment Canada</p> <p>Other partners and interest groups:</p> <ul style="list-style-type: none"> <li>• DFAIT</li> <li>• AAFC</li> <li>• Provinces</li> <li>• Territories</li> <li>• CCFAM</li> <li>• Industry, notably aquaculture, fisheries, fish processing.</li> </ul>	<p>Consultation with provinces and territories, 2005.</p> <p>Seeking Cabinet authorization to start negotiations with provinces and territories, 2005.</p> <p>Progress report to FPT ministers, September 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Canadian Biotechnology Strategy:</p> <p>A key challenge in regulating biotechnology is the fast pace of scientific change (in key areas, such as animal biotechnology, plant biotechnology, aquatic biotechnology, and molecular farming) that cross conventional lines of regulatory authority. The Strategy contains an action plan aimed at strengthening interdepartmental co-operation and clarifying responsibilities in regulating biotechnology. The plan will make strategic decision making more efficient, improve accountability for regulating areas of biotechnology, and enhance the capacity of regulators to anticipate and respond quickly to biotechnology innovations.</p>	<p>Will respond to fast-emerging challenges in biotechnology by ensuring that regulatory capacity is in place to assess new products.</p> <p>Will ensure consistency through a whole-of-government approach, which establishes a common understanding and application of principles and triggers, such as incorporation of the precaution principle and novelty.</p>	<p>Public: Access to safe and effective biotechnology products; increased confidence in regulatory system.</p> <p>Industry: Clarity and predictability in regulatory process and requirements.</p> <p>Regulatory departments/agencies: Clarity in decision making and accountability.</p>	<p>Chair, Biotechnology ADM Subcommittee on Stewardship and Regulation (currently Health Canada) with</p> <ul style="list-style-type: none"> <li>• Environment Canada</li> <li>• CFIA</li> <li>• DFO</li> <li>• Industry Canada</li> <li>• AAFC</li> <li>• NRCan</li> </ul>	<p>Summer 2005: Define and clarify regulatory challenges in animal biotechnology, and aquatic biotechnology, and molecular farming; enforcement authorities; and notification of research.</p> <p>Fall 2005: Regulatory decision-making processes and supporting mechanisms to be determined.</p> <p>Implementation Plan: Target, spring 2006.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>New Government of Canada Bioportal (biotech.gc.ca):</p> <p>Will provide one-window access via the Internet to clear and complete information on biotechnology and its applications.</p> <p>Components include bioregulations.gc.ca, which provides a tool for navigating the biotechnology regulatory system; and biobasics.gc.ca, which provides general biotechnology information.</p>	<p>Improved transparency.</p> <p>Assists in engaging the public, industry and other stakeholders.</p>	<p>Bio-regulations users: Better information on the federal government's biotechnology regulatory system.</p> <p>One-stop shopping for regulatory information.</p>	<p>Canadian Biotechnology Secretariat, (lead)</p> <ul style="list-style-type: none"> <li>• Health Canada</li> <li>• Environment Canada</li> <li>• CFIA</li> <li>• DFO</li> <li>• Industry Canada</li> <li>• AAFC</li> <li>• Department of Justice</li> </ul>	<p>Site launched December 1, 2004.</p> <p>Summer 2005: Addition of easy-to-access overviews of regulatory process phases.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p><i>Not-for-Profit Corporations Act:</i></p> <p>Aimed at improving financial accountability and transparency; clarifying the roles and responsibilities of directors and officers; and protecting and enhancing the rights of members.</p> <p>Will replace <i>Canada Corporations Act</i>, which is outdated and lacks modern corporate governance standards.</p>	<p>More efficient process for business incorporation.</p> <p>Reduced regulatory burden (e.g., no filing of by-laws) and modern governance framework that provides flexibility and improves accountability to members and to the public.</p>	<p>Organizations (more than 18,000) in not-for-profit sector currently incorporated at federal level: Clearer and more effective governance framework.</p> <p>Public: Improved transparency and accountability maintains public trust and confidence in not-for-profit sector.</p>	<p>Industry Canada (lead), OGDs</p>	<p>Legislation introduced November 15, 2004.</p> <p>Three-year transition period for non-profit corporations to register under the new Act.</p> <p>Associated regulations will be submitted for approval following passage of legislation.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Charities Regulatory Reform:</p> <p>Responds to the 75 recommendations of the Joint Regulatory Table (a joint government/working group established under the Voluntary Sector Initiative) on improving the legislative and regulatory environment within which the charitable sector operates.</p> <p>Initiative includes <i>Income Tax Act</i> amendments, policy and program elements, information systems development, staff training, and organizational/operational changes.</p>	<p>Greater transparency of charity practices and regulatory decisions.</p> <p>Mix of voluntary compliance and enforcement tools specific to compliance risk levels.</p> <p>Redress process for prompt resolution of disputes.</p> <p>Greater integration of regulatory and oversight functions with willing jurisdictions.</p> <p>Partnership approach to ensure charities understand and meet established rules.</p>	<p>Public and voluntary sector: Increased confidence in regulation of Canada's charities.</p> <p>Social well-being of Canadians.</p>	<p>Canada Revenue Agency with Department of Finance.</p> <p>Sector advisory group, the Charities Advisory Committee, was created for consultation, advice, and guidance.</p>	<p>Funding announced in 2004 Federal Budget.</p> <p><i>Income Tax Act</i> amendments introduced in Parliament December 6, 2004.</p> <p>Five-year Action Plan developed to support phased-in implementation:</p> <ul style="list-style-type: none"> <li>• Monitoring and Sanctions (by April 2005);</li> <li>• Appeals process amended (legislative approval expected by May 2005);</li> <li>• Service improvements to increase transparency and accessibility (proposal by summer 2005);</li> <li>• Public awareness and sector outreach (by summer 2005); and</li> <li>• FPT collaboration (bilaterals in 2005).</li> </ul>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Amendments to <i>Canada Business Corporations Regulations, 2001</i>:</p> <p>Will allow federal corporations governed by the US Securities and Exchange Commission (SEC) to prepare and audit their financial statements using generally accepted US accounting principles.</p>	<p>Reduced duplication and overlapping requirements.</p>	<p>CBCA Corporations (large businesses): Lower compliance costs for federally incorporated businesses that are subject to American securities regulation. Elimination of need to prepare and audit two sets of financial statements.</p> <p>FPT: Harmonizes CBCA regulatory requirements with provincial securities administration, which allows corporations registered with the SEC to use US standards.</p>	<p>Industry Canada (lead)</p>	<p>Regulations prepublished in the <i>Canada Gazette</i>, Part I on November 27, 2004.</p> <p>Implementation following final approval in 2005.</p>



## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Amendments to <i>Competition Act</i>:</p> <p>Proposed amendments will provide authority for the Commissioner of Competition to seek restitution for consumer loss resulting from false or misleading representations; introduce a general administrative monetary penalty provision for abuse of dominance in any industry; remove the airline-specific provisions from the Act to return it to a law of general application; increase the level of administrative monetary penalties for deceptive marketing practices; and decriminalize the pricing provisions.</p>	<p>Strengthened competition framework in a global economy.</p> <p>Strengthened remedies available under the Act, which will promote timely and voluntary compliance.</p> <p>Consistent with competition laws in other jurisdictions, including major trading partners.</p>	<p>Canadian business: Return to a law of general application and decriminalization of pricing provisions, as requested by various business groups, parliamentarians, and others.</p> <p>Legislation more consistent with that of our major trading partners.</p> <p>Consumers: Canadians will have access to restitution remedies (similar to those available to Americans) when they have lost money as a result of false or misleading representations.</p>	<p>Industry Canada (with Competition Bureau)</p>	<p>Legislation introduced in House of Commons November 2, 2004.</p> <p>Provisions come into effect upon royal assent.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Improving Merger Review Processes:</p> <p>The Competition Bureau, through the International Competition Network (ICN), is developing Guiding Principles and Recommended Practices affecting domestic and multi-jurisdictional merger reviews. The development of internationally accepted merger review guidelines is designed to assist in providing firms with greater certainty and predictability concerning issues such as the time for completing a merger review.</p>	<p>More transparent, efficient, timely and predictable competition law framework for businesses involved in merger transactions.</p> <p>Strengthened global competition framework.</p>	<p>Businesses: Convergence of enforcement policy.</p> <p>Elimination of unnecessary procedural burdens.</p> <p>Competition Bureau: Less time and cost in multi-jurisdictional merger review.</p>	<p>Eighty-five ICN members, including Canadian Competition Bureau and other national or multinational competition agencies.</p> <p>Co-operation from international organizations (e.g., OECD, WTO, UNCTAD), associations and practitioners of anti-trust laws and economics, industry and consumer associations, and members of the academic community.</p>	<p>The Mergers Notification and Procedures Subgroup is currently working on two new Recommended Practices and three projects. The new Recommended Practices will be brought for approval to the Annual Conference in Bonn, Germany in June 2005. (A number of jurisdictions have already used the Recommended Practices to improve their merger review procedures.)</p> <p>Two other ICN merger subgroups, the Analytical Framework Subgroup and the Investigative Techniques in Merger Review Subgroup, will report on progress in June 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Paper Burden Reduction Initiative:</p> <p>A new public/private sector Advisory Committee on Paperwork Burden Reduction (ACPBR) has been tasked with identifying concrete initiatives that will reduce the regulatory burden on business, and with evaluating the government's performance in this area over time. The committee will also review and endorse a new Statistics Canada Survey on Paperwork Burden that will measure the cumulative cost of regulatory compliance.</p>	<p>Addresses long-standing concerns cited by businesses respecting regulatory burden by</p> <ul style="list-style-type: none"> <li>• addressing the burden imposed by multiple jurisdictions and three orders of government;</li> <li>• dealing with the impact of a multitude of different regulations, rather than any one regulation; and</li> <li>• compiling baseline data on the cost of compliance by size of firm.</li> </ul>	<p>SMEs: Reduces the cost of doing business in Canada.</p> <p>Canada: Enhances capacity to attract investment.</p> <p>Governments: Provides measurement and evidence-based information on the impact of regulatory burden on firms of different sizes.</p>	<p>ACPBR is co-chaired by Industry Canada and the Canadian Federation of Independent Business (CFIB). Representation from CRA, Human Resources and Skills Development Canada, provincial/territorial governments, business associations, and SMEs.</p>	<p>Treasury Board approval in January 2005.</p> <p>First meeting held February 28 to March 1, 2005, with three meetings to be held annually.</p> <p>Concrete initiatives for early implementation will be identified between March and October 2005.</p> <p>First report to Minister of Industry scheduled for December 2005.</p> <p>Benchmark survey of paperwork burden to be carried out in fall 2005 with analysis and results available in fall 2006.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>BizPaL:</p> <p>A web-based service that will allow businesses to easily generate a customized list of the permits and licences required by all levels of government.</p> <p>A pilot project involving Ontario, British Columbia, the Yukon, and three municipalities (Whitehorse, Kamloops and Halton) will aggregate licence and permit data from participating jurisdictions and guide businesses through a simple Q&amp;A wizard.</p> <p>Will be delivered through web sites, call centres, and in-person service outlets of participating governments</p>	<p>Involves three levels of government in the shared delivery of business permits and licence services.</p> <p>Regulatory compliance steps will be clarified and regulatory burden for business reduced.</p>	<p>Industry: Reduced time and cost to meet compliance requirements.</p> <p>Comprehensive service maps of permit and licence processes across jurisdictions.</p> <p>One-stop resource for obtaining information about federal, provincial/territorial, and municipal government requirements.</p> <p>Governments: Opportunities to streamline regulatory systems.</p> <p>Service maps will help to better align permit and licence processes and regulatory systems.</p>	<p>All provinces and territories, plus a number of municipalities and associations.</p>	<p>Service mapping of permit and licence activities is complete for a number of sectors and jurisdictions.</p> <p>New pilot participants to be integrated in summer 2005.</p> <p>On-line service to be formally launched in fall 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Innovation, Productivity and Business Environment

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Modernizing the Telecommunications Framework:</p> <p>Improving the telecom regulatory framework by tabling amendments to the <i>Telecommunications Act</i> that will provide the CRTC with direct fining authority in order to be able to regulate more strategically with emphasis on results; asking the CRTC to move expeditiously to implement wireless number portability; and requesting that the Task Force on Spam report quickly in order that measures can be put in place to control the spread of spam and spyware.</p> <p>The federal government will appoint a panel of eminent Canadians to review Canada's telecom policy and regulatory framework to ensure that the industry continues to support Canada's long-term competitiveness.</p>	<p>Proposes immediate action on issues that can be addressed in the short term while referring broader issues that require further study to a panel of experts.</p> <p>Improves the effectiveness and efficiency of the telecommunications regulatory framework. Supports innovation and competitiveness.</p>	<p>Industry: greater certainty about direction of policy and regulation. Progress toward a more modern and efficient regulatory regime.</p> <p>Consumers: Greater protection from unwanted spam messages. Easier switching to new services. Potential for more competitive offerings from telecom carriers.</p>	<p>Industry Canada (lead), CRTC, Telecom Panel of Eminent Canadians, Task Force on Spam.</p>	<p>Task Force on Spam will report in spring 2005.</p> <p>Tabling of <i>Telecommunications Act</i> amendments. Target: summer 2005.</p> <p>Panel of Eminent Canadians to report to federal government by end of 2005.</p>

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# Aboriginal Prosperity and Northern Development

## SMART REGULATION INITIATIVES

Theme: Aboriginal Prosperity and Northern Development

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Bill C-20, the proposed <i>First Nations Fiscal and Statistical Management Act</i>:</p> <p>Will enable First Nations to build the fiscal and statistical capacity needed to support effective government</p> <p>Will provide practical tools in the areas of property taxation, bond financing, and financial and statistical management in support of social and economic development.</p> <p>Will result in four First Nations institutions: Finance Authority, Tax Commission, Financial Management Board, and Statistical Institute.</p>	<p>Will build First Nations regulatory management capacity where fiscal and statistical matters are concerned.</p> <p>Contributes to economic development and investment certainty for First Nations.</p>	<p>First Nations: Active participation in the Canadian economy.</p> <p>Private investment opportunities while meeting local infrastructure needs, such as water treatment systems and roads.</p>	<p>First Nations-led, in conjunction with INAC.</p> <p>Development of institutions is being led by four First Nation Advisory Panels. The existing Indian Taxation Advisory Board (ITAB) and original First Nations Finance Authority Inc. are continuing with their roles in development of the Tax Commission and Finance Authority. British Columbia Summit is sponsoring development of the Financial Management Board, and Union of Ontario Indians is sponsoring the Statistical Institute.</p> <p>Participating federal departments include Statistics Canada.</p>	<p>Bill C-20 re-introduced in November 2004.</p> <p>Following passage of the proposed legislation, the four First Nation Advisory Panels will work closely with INAC to develop the required regulations and operationalize the four institutions.</p> <p>Implementation target: Late 2005 or early 2006.</p>

## SMART REGULATION INITIATIVES

Theme: Aboriginal Prosperity and Northern Development

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Proposed <i>First Nations Oil and Gas and Moneys Management Act</i>:</p> <p>Will allow First Nations to assume direct control over oil and gas resources on reserve lands (and related revenues), and assume control over moneys otherwise held for them in Consolidated Revenue Fund under the <i>Indian Act</i></p>	<p>More responsive and localized regulatory framework by providing First Nation communities the option to manage their on-reserve oil and gas resources and revenues.</p> <p>Greater self-government in fiscal management and acceleration of economic development in First Nation communities.</p> <p>Greater fiscal transparency and accountability, thus promoting good governance by First Nations where lands, resources and moneys are concerned.</p>	<p>First Nations: Direct participation in energy sector, enabling them to capitalize on opportunities, and leading to improved economies and job creation.</p> <p>Oil and gas industry and provinces/territories: More efficient and harmonious regulatory process.</p>	<p>First Nations-led, in conjunction with INAC.</p> <p>Three First Nations involved in pilot project (in conjunction with the Indian Resource Council, representing over 130 First Nations with oil and gas interests), and Indian Oil and Gas Canada.</p> <p>Participating federal departments include Environment Canada and CEAA.</p>	<p>Anticipated that legislation will be introduced in early 2005–2006.</p> <p>Implementation target: 2006–2007, following consultations on the development of regulations.</p>



## SMART REGULATION INITIATIVES

Theme: Aboriginal Prosperity and Northern Development

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Co-operation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project:</p> <p>Designed to create a streamlined review process for the Mackenzie Gas Project.</p> <p>Brings together 14 environmental assessment and regulatory authorities in NWT to minimize duplication and delay in environmental assessment, and permit issuances needed to build a pipeline.</p> <p>Key element in the construction of a pipeline and will bring significant short- and long-term economic benefits while protecting the environment.</p>	<p>Will result in a joint environmental impact assessment process that meets the requirements of Aboriginal, territorial and federal authorities.</p> <p>Includes coordinated regulatory processes and hearings, consolidated information requirements, shared technical support resources, and a plan for public involvement.</p>	<p>Canadians (in particular, Northerners): Coordinated environmental assessment process and regulatory review.</p> <p>Industry: Time savings and minimized duplication.</p> <p>Regulators: Sharing and coordination of resources.</p>	<p>Leads: NEB, CEAA, MVEIRB</p> <p>Other participants:</p> <ul style="list-style-type: none"> <li>• INAC</li> <li>• MVLWB</li> <li>• Gwich'in LWB</li> <li>• Sahtu LWB</li> <li>• Northwest Territories Water Board</li> <li>• Environmental Impact Review Board for the Inuvialuit Settlement Region</li> <li>• Joint Secretariat for the Inuvialuit Settlement Region</li> <li>• Environmental Impact Screening Committee for the Inuvialuit Settlement Region</li> <li>• Inuvialuit Game Council</li> <li>• Inuvialuit Land Administration</li> <li>• Inuvialuit Land Administration Council</li> </ul>	<p>In effect until completion of Mackenzie Gas Pipeline review process: Projected, 2006.</p>

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# Strengthening Regulatory Governance

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Develop a New Management System for the Development and Implementation of Regulation:</p> <p>A multi-stakeholder process to develop a "life-cycle" management system that sets principles and requirements for all stages of regulation, from development to implementation and review.</p> <p>The system would include the following five initiatives:</p>	<p>A multi-stakeholder approach and public consultations will bring in diverse perspectives and demonstrate government's commitment to doing business differently (e.g., increased transparency and co-operation).</p>	<p>Federal departments and agencies: Transition to strategic, life-cycle approach to regulatory management.</p>	<p>PCO with departments/agencies.</p> <p>Multi-stakeholder participation, including provinces/territories and general public.</p>	<p>Development of system with stakeholders (early 2005–2006).</p>
<p>1. A new Regulatory Policy Statement:</p> <p>Provides general policy direction by setting out principles, strategic objectives and policy requirements for regulation and the regulatory process.</p>	<p>Transition to a "life-cycle" approach to regulatory governance.</p> <p>Establishes the strategic objectives from which the government, stakeholders and the public can measure progress and hold the government to account.</p>	<p>Citizens and stakeholders: Statement on government's objectives for regulatory governance and management.</p> <p>Enhanced standards for regulatory quality, decision making and performance evaluation.</p>	<p>PCO with departments/agencies.</p> <p>Multi-stakeholder participation, including provinces/territories and general public.</p>	<p>Prepublication in <i>Canada Gazette</i>, Part I (projected early spring, 2006).</p> <p>Release and implementation (early summer, 2006).</p>

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>2. Regulatory Impact Analysis Based on Risk:</p> <p>A pilot project to integrate the analysis of risk factors into the regulatory development process.</p> <p>Complements the existing economic analysis framework.</p> <p>Helps forecast and explain to Canadians the change in risk levels before and after the Implementation of a regulation.</p>	<p>Increases awareness and transparency of the risk elements considered in regulatory development.</p>	<p>General public and decision makers: Enhances transparency regarding risks being mitigated by the proposed regulation, thereby providing improved information on which to base the decision to proceed with the regulatory initiative. In turn, this will enhance public protection as the rationale for introducing new regulations will be stronger.</p> <p>Policy makers: Having a greater understanding of the risk being mitigated will develop improved compliance strategies.</p>	<p>Health Canada with PCO</p>	<p>Pilot completed in February 2005.</p> <p>Risk-based analysis results to be published in <i>Canada Gazette</i> Part I (as part of RIAS) in April 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>3. Instrument Choice Framework:</p> <p>Development of a federal government framework for selecting instruments for government action in order to provide guidance to federal departments and to increase consistency in the analytical work that feeds the decision-making process.</p>	<p>More transparency regarding how instrument decisions are made.</p> <p>Consistent approach to instrument choice.</p> <p>Facilitates use of national, North American and international standards.</p> <p>Will lead to a greater use of a range of instruments, improving the quality of government intervention and compliance rates.</p>	<p>Departments/agencies: Will have guidance to assist them through the analytical process required to evaluate risk management options.</p> <p>Regulators: Will be able to use a broader range of instruments, which is expected to improve their response to change.</p> <p>Citizens and business: Expected improvement in quality of life and competitiveness due to better selection of instruments.</p>	<p>PCO with departments</p>	<p>Available to users in early 2005–2006.</p>

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>4. Guide for Effective Regulatory Consultations:</p> <p>Will assist departmental officials in designing a clear and inclusive consultation plan, including clarity of purpose and objectives; coordination of regulatory consultation activities across departments; conducting internal and external scans; choosing the right consultation tool; selecting the appropriate participants; developing realistic time lines; effective budgeting; and obtaining feedback.</p>	<p>Enhanced capacity and guidance on how to plan for and conduct consultations, which are an essential step in designing effective, high-quality regulations.</p>	<p>Government officials: Practical guidance, checklists, and best practices to assist in conducting better regulatory consultations.</p> <p>Citizens and stakeholders: Better quality, more effective regulation resulting from improved consultation techniques.</p>	<p>PCO with departments/agencies</p>	<p>Guide available on-line in early 2005–2006.</p>

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>5. Triage System for Regulatory Submissions: Will put proposed regulations in three categories of significance: low, medium, and high based on risk and associated impact. Regulations of low risk will be simpler and faster to put into place, whereas those that stand to have important impacts or risks will be required to be accompanied by more in-depth and focused information to ensure government is making the right decision.</p>	<p>Speed up submission process for less significant proposals.</p> <p>Enable the government to align financial, human resources and other regulations to emerging and higher priorities.</p>	<p>Departments/agencies: Will be able to focus analytical efforts on more significant initiatives.</p> <p>Public and decision makers: Better information on major initiatives.</p>	<p>PCO and departments</p>	<p>Draft to be published in <i>Canada Gazette</i> Part I in April 2005.</p> <p>Triage system to be implemented in June 2005.</p>

## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>Capacity-Building Strategy:</p> <p>Will strengthen the capacity of those charged with carrying out the government's regulatory responsibilities.</p>	<p>Provides for a more adaptable, horizontally integrated regulatory community that is responsive to the changing needs of Canadian society, and that meets the enhanced requirements of the new system for development and implementation of regulation.</p> <p>More integrated and informed decision making.</p>	<p>Federal regulatory community: Needs assessment will identify new requirements, skills and competencies.</p> <p>Regulators will have better access to shared learning resources that will assist in the development of new skills, enhance existing competencies, and share best practices, and lessons learned.</p>	<p>PCO will partner with other regulatory departments, training institutions and stakeholders.</p>	<p>Needs assessments with departments/agencies to commence spring 2005.</p> <p>Implementation target, winter 2006.</p>



## SMART REGULATION INITIATIVES

Theme: Strengthening Regulatory Governance

Initiative	Why Is It Smart?	Who Benefits and How?	Participants	Implementation Status
<p>State of Regulatory Analysis Practices (Cost-Benefit, Cost Effectiveness) New Analytical Tools and Related Data Needs:</p> <p>Will examine analytical practices and data needs, current best practices, processes, guidelines and plans relative to practices in other jurisdictions (i.e., in subnational governments, other national governments and intergovernmental organizations).</p> <p>Will support more effective regulatory governance.</p>	<p>Will provide up-to-date data and information on the best practices and techniques in regulation making and other regulatory analytical tools.</p> <p>Use and refinement of these tools will enable the government to create better quality regulation that is more responsive to the needs of businesses, citizens and government.</p> <p>The program will be horizontal, addressing issues of common interest to multiple departments and agencies.</p>	<p>Departments and central agencies: Better information on state-of-the-art practices and techniques, and improved guidance on how to apply them to regulatory analysis.</p> <p>Public: Better regulations because of improved quality of analysis used in regulatory decision making.</p>	<p>PCO and the PRI (lead)</p> <p>Regulatory departments and academic community</p>	<p>Draft report in fall 2005.</p>

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