



# ENCOURAGING BEYOND COMPLIANCE BEHAVIOUR



## Presentation to the Canadian Roundtable on Pollution Prevention

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# PRESENTATION PURPOSE

- Today's presentation will cover two main topics:
  - An overview of the *Managing the Environment* report
  - An overview of cooperative agreements: Ontario's beyond compliance initiative

# OVERVIEW

- *Managing the Environment* proposed five strategic shifts. It generally proposes that the ministry move from being a traditional regulator to one that takes a strategic approach to managing the environment.

# SHIFT # 1

- From one ministry having sole responsibility for environmental protection
- **To a high level, government wide vision and goals with implementation across different departments**

## SHIFT # 2

- From a primary emphasis on ensuring compliance with minimum standards for large stationary facilities
- To a a broader emphasis on strategies to promote continuous improvement in environmental outcomes and accountability across all sources of pollution

# SHIFT # 3

- **From a traditional program delivery according to municipal or ministry area or region boundaries**
- **To a placed-based approach with boundaries that make environmental sense and facilitate a cross-media, cumulative approach, such as a watershed**

# SHIFT # 4

- **From a primary reliance on traditional investigation, enforcement and abatement tools**
- **To a more comprehensive, flexible set of regulatory and non-regulatory compliance tools and incentives**

# SHIFT # 5

- **From a reliance on government to do it all**
- **To an approach based on shared responsibility with the regulated community, ENGOs, the public, and the scientific/technical community**



# COOPERATIVE AGREEMENTS



# PURPOSE

- **The central purpose of cooperative agreements is to differentiate between leading companies from those that are merely at compliance or out of compliance.**

# STRATEGIC APPROACH

- Cooperative agreements seek to provide leading companies with an advantage in the marketplace by changing the way we regulate them through the provision of incentives. The incentives will support beyond compliance and continuous improvement behaviour.

# ELEMENTS OF THE FRAMEWORK

- **The MOE has worked with stakeholders to develop a framework from which individual agreements would be developed. Stakeholders included:**
  - **industry associations (APMA, CCPA, CVMA)**
  - **ENGOs (Pollution Probe, EDC, FOE)**
  - **individuals and academics**

# ENTRY REQUIREMENTS

- **Participating companies would need to demonstrate that they have a strong record of compliance by:**
  - **internal MOE record check**
  - **signed affidavit of compliance by senior company official**
  - **EMS in place**
  - **completing an ESDM**

# ENTRY REQUIREMENTS

- **Companies would need to commit to specific beyond compliance reductions in emissions over a given period of time of priority pollutants**

# ENTRY REQUIREMENTS

- **Companies would need to have a well developed community outreach and consultation mechanism in place that could include:**
  - a citizens' advisory committee
  - workshops/town hall meetings
  - other forms of consultation/outreach

# MONITORING, REPORTING AND VERIFICATION

- Companies will be responsible for monitoring their progress.
- Reporting will be done annually
- Third party verification after 2 and 5 years

# INCENTIVES

- **In exchange, MOE would provide incentives. Current incentives include:**
  - **technical assistance**
  - **enhanced comprehensive site-wide approval**
  - **reporting and monitoring study**
  - **greater regulatory certainty**

# INCENTIVES

## Current incentives (cont'd)

- use of recognized banner on letterhead
- web site and communications recognition
- participation in further development
- industry roundtables

# SANCTIONS

- **The MOE could impose sanctions on participating companies if:**
  - they misrepresent their status in the program;
  - fail to meet their targets; or,
  - fall out of compliance on major environmental matters

# SANCTIONS

- **The following sanctions could be imposed:**
  - **agreement could be cancelled and incentives taken away**
  - **report to the EMS registrar (ISO 14000)**
  - **public communications--e.g. notice on web site**
  - **immediate full facility inspection**

# LESSONS LEARNED

- **The main lessons learned thus far:**
  - **incentives need to support business case**
  - **incentives are change mgmt tools**
  - **all ministry effort**
  - **involvement of ENGOs is critical**
  - **easier to implement directly with companies**
  - **integration with other tools complicated**

# THE FUTURE

- **The Ministry will continue to develop the initiative. In particular:**
  - **work on additional incentives**
  - **integrate as a mainstream approach**
  - **pursue harmonization with federal gov't**
  - **establish framework in other ministries and integrate approaches**

# CONCLUSION

- **Cooperative agreements support the vision of the *Managing the Environment* report by:**
  - encouraging continuous improvement
  - introducing more flexible tools and incentives in our policy mix
  - encouraging shared responsibility and transparency