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## NRT Life Cycle Approaches (LCAs) Project LCAs in the Public Sector

### About the Project

The NRT has been asked by the Minister of Environment to assess how the Government of Canada (GoC) could support the uptake of Life Cycle Approaches (LCAs) to enhance Canada's economic competitiveness and environmental stewardship.

The NRT is exploring two main lines of research on how LCA's can be utilized – (1) within the Government's internal operations and decision making processes; and, (2) in large corporations and SMEs in the private sector. The NRT aims to develop a role profile for the GoC with respect to supporting the potential uptake of LCAs in Canada as a public sector adopter internally, and an enabler externally for the private sector (see figure 1).

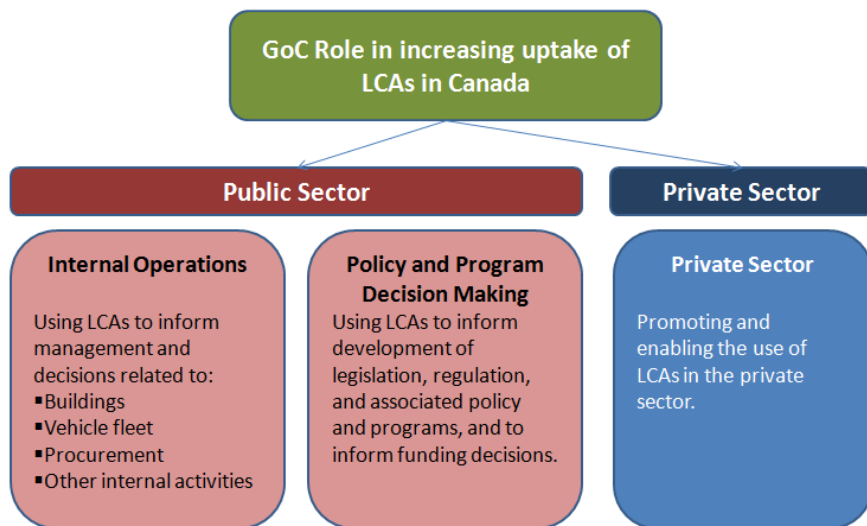


Figure 1. Role of GoC in LCAs

### NRT LCAs Project Objectives

The focus of the November 22<sup>nd</sup> convening session was to discuss the NRT's preliminary research findings on LCAs with the public sector policy community from across the GoC. It was also an opportunity for the NRT to solicit input to inform future research and build relevance with current GoC priorities. This was accomplished by:

- Identifying risks, opportunities and barriers related to the uptake of LCAs (or lack thereof) in the GoC's internal operations;
- Identifying risks, opportunities and barriers related to the uptake of LCAs (or lack thereof) in the GoC's internal policy/program decision making; and,
- Initiating a discussion on institutional change management within the GoC to promote integrated economic-environmental decision making using LCAs.

### Using LCAs within GoC Internal Operations

The scope of internal operations includes: buildings (owned and leased), vehicle fleet, procurement, waste management, crown asset disposal and other projects (e.g. contaminated sites and major crown projects). While lacking a system-wide application throughout the GoC, there are emerging applications of LCAs within some areas of internal operations (e.g. Green Procurement and Asset Management Policies). Risks and opportunities associated with LCAs uptake have been identified and further analysis will validate and explore these areas.

The GoC may be exposed to **risks** if LCAs are not further integrated into internal operations. There is an economic risk that the GoC's long term expenditures will increase significantly more than anticipated. There is an environmental risk that the GoC would be unable to reduce its environmental footprint and meet anticipated reduction targets if LCAs are not adopted in key areas.

There are also **opportunities** where LCAs could be integrated in GoC's internal operations. For example, the GoC has an economic opportunity to reduce its energy and water use associated expenditures through the adoption of LCAs. Through green procurement the GoC has a long-term economic opportunity to use LCAs in select areas to further stimulate growth, innovation, and competitiveness of the green products and services sector, especially among SMEs.

**Barriers** impeding an enhanced use of LCAs include capacity gaps (lack of awareness, knowledge and expertise within the public service – senior level and working level), systemic gaps (lack of integrated economic-environmental targets) and information gaps (lack of data).

### Using LCAs within GoC Internal Policy & Program Decision Making

Policy and program decision-making encompasses a broad range of activities at all levels of government. Much can be learned, in terms of barriers, from previous and current efforts about how to integrate economic-environmental considerations into government activities and decision making. The NRT's intent is to demonstrate the applicability of LCAs to analyze the following three policy and program areas that directly or indirectly involve significant/long-term capital investment, environmental impacts, use of natural resources, and the production/consumption of products. Priority areas include:

- International trade negotiations
- Regulatory streamlining of major projects
- Biofuels

As part of its research the NRT is developing an analytical framework to identify and assess risks and opportunities associated with each priority area. As the three areas are diverse, it is anticipated that the analysis will provide insights that can be applied more broadly. Early identified cross-cutting barriers include complexity (e.g. applying LCAs to trade agreements), jurisdictional boundaries, expertise and knowledge gaps, as well as a lack of articulated or prioritized integrated economic and environment objectives and targets.

### Factors Impeding Change Management at an Institutional Scale

For LCAs as a tool to support integrated decision-making, a larger shift in how the government integrates economic and environmental issues is needed, suggesting the adoption of a "change management" approach over the next few years. Change management is a structured approach to shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at helping employees to accept and embrace changes in their current business environment.

In terms of the federal government, the adapted characterization of change management would reflect a move from traditional vertical decision-making silos of economic, environmental, social and fiscal policies towards a horizontally integrated form of economic-environmental policy decision-making that encompasses a more holistic approach using tools available in the Life Cycle Approaches (LCAs) tool kit. Change management within the GoC speaks to the processes associated with accepting, initiating, developing and implementing institutional change frameworks associated with the core policy, program and operational responsibilities of the federal government to evaluate economic-environment policy issues in an integrated manner.

Key background conditions are needed to nurture the growth and development of integrated economic – environmental decision making frameworks within the public sector. The emphasis on individual background conditions can vary depending on the departmental and agency policy mandates. NRT will explore key background conditions that must be realized as a precursor to introduction and implementation of organizational change management frameworks to support economic-environmental policy integration within the GoC.

Through the convening session NRT would solicit practitioner's feedback on the barriers as identified by its research. These barriers hinder the ability for the GoC to embrace change management tools, i.e. LCAs - that would increase the uptake of integrated economic-environmental decision making frameworks within the federal government in a system-wide consistent manner.