Strategic Foresight Report

Prepared by the CASA
Strategic Foresight Committee

For the CASA Board of Directors

March 10, 2010

Background

In March 2010, the Board of Directors of the Clean Air Strategic Alliance (CASA) created the Strategic Foresight Committee (SFC) to prepare one of several inputs into its 2011 comprehensive strategic planning session. The Strategic Foresight Committee has taken an outward and forward look at the range of potential changes that would most significantly affect a CASA-like organization in the decades through to 2040.

While no foresight exercise can predict the future, an exploration of the range of possible futures can help position an organization to more confidently and effectively adapt to changing conditions as the future unfolds.

Introduction

The SFC is CASA's first effort in “futures work”, and is a unique project in the organization's history to date, in large part due to a dual purpose design. In addition to producing information for the board's planning consideration, the committee was also deliberately designed to be a learning journey to build capacity for practising foresight, both within CASA and in participating stakeholder organizations. As such, it called for something different from the participating team members.

The work drew on the participants' knowledge about CASA's historical and current role in air quality management, and their perceptions about the dynamics of CASA's current operating environment. Team members were also challenged to draw inferences about what these current dynamics might mean for the future. Most significantly, they were required to share these inferences with each other – to test them, to defend him, and to develop insights about how CASA may likely be challenged in the future.

Lastly, the SFC took the additional step of assembling a partnership – the Joint Foresight Project Team, consisting of CASA stakeholders and Foresight Canada personnel – that was, in composition, also unique.

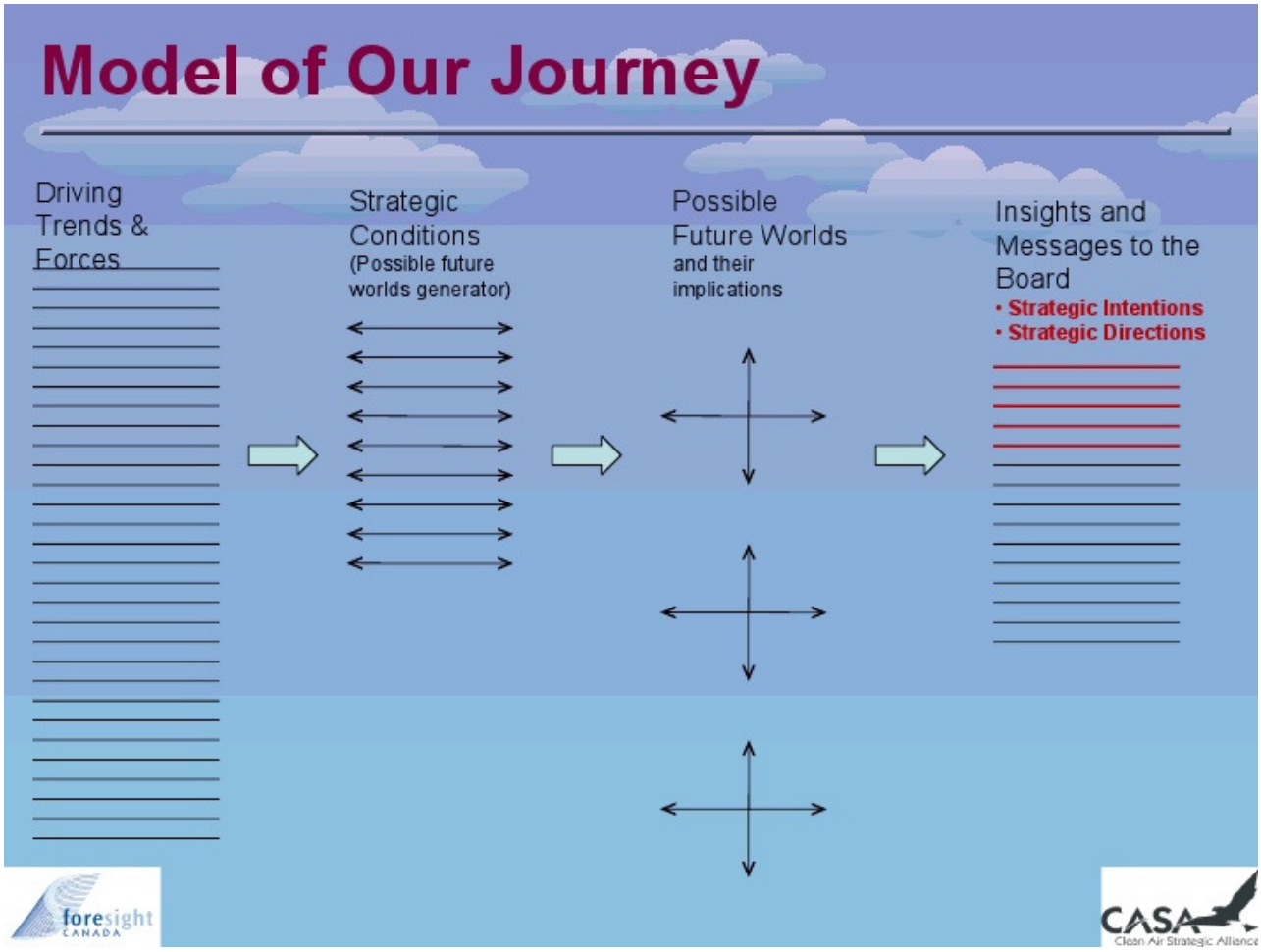
Methodology

The SFC's work was guided by a focal question, specifically:

> *How might the reality of and concern for air quality in Alberta evolve to 2040, and what implications might this have for a CASA-like body in Alberta during the next 5 to 10 years?*

The committee worked through a series of workshops, which included exercises, individual reflection, and small group work, and covered five distinct phases:

- Current Observations
- Drivers and Trends
- Significant Strategic Conditions
- Possible Future Worlds (and their implications)
- Strategic Insights, Intentions, and Directions



Current Observations – The Current Consciousness of CASA

Foresight Canada personnel conducted 30 minute telephone interviews with members of the Strategic Foresight Committee. The interview questions were designed to evoke observations about CASA's past and current performance, the contextual conditions contributing to this performance, and initial thoughts about the future.

Drivers and Trends

Responses to air quality in Alberta are shaped by trends (aspects of physical or social reality that change over time), and the underlying causes of these trends, referred to as drivers. In a workshop, which included full-group and individual work, the team generated a comprehensive[1] list of trends and drivers that had the potential to shape the future of air quality to 2040. This list served as the foundation for full-group discussion to develop a short-list of the most important forces potentially shaping CASA's future. Although perspectives from a diverse range of stakeholder groups were represented at the table, there was significant overlap and agreement on the priority of the trends and drivers.

Significant Strategic Conditions

The implications and effects of drivers and trends shape the future conditions that CASA may have to operate in. In other words, as a trend progresses through time, foreseeable consequences will arise. Additionally, these consequences may in turn become trends and drivers for a second order of consequences. Through full-group and small-group work, the SFC identified 9 significant drivers that were explored for their causal consequences. This enabled the team to develop its own impressions of the significance of each trend or driver and start to see a full range of future possibilities.

Possible Future Worlds

While the team could come to consensus about the existence of certain trends and drivers, and even agree to their potential significance, it is axiomatic that no one can predict the future. Based on the prioritization of the trends and drivers, the team identified and explored the range of significant impacts and future conditions. The team explored the full *spectra of change* in order

[1] 'comprehensive' – to the full limits of the participant's conception.

to understand how trend-change, in one direction or another, would shape the different future contexts that CASA would have to operate in. These contexts provide the basis of plausible narratives to describe possible futures.

Strategic Insights, Intentions, and Directions

Plausible narratives of possible futures are valuable to current decision-making by provoking thoughtful attention to whether there is an organizational need for new capabilities or other changes to remain resilient and relevant in the future. The results of this thoughtful attention are captured as strategic insights, intentions and/or directions for the board to consider.

Range of Possible Future Worlds

It is important to anticipate the range of possible future conditions that could influence air quality management in Alberta and understand how CASA could and should respond to these conditions, so that it can continue to play an important and valued role in the future Alberta.

Do future drivers and trends continue to take us down the same path, or are there other drivers and trends that will make the challenges faced by Albertans different and may also make the way CASA needs to responds to those challenges different? The challenges of air quality in the face of escalating growth are likely to remain, but there are also drivers of change that focus on climate change and greenhouse gas emissions, water use and quality, and a shift to more unconventional energy sources. The spectrum of conditions for these drivers can be quite broad and the impact on Albertans could range from minor to major.

Using the list of priority trends and drivers, the team began to infer spectra of possible conditions that might impact air quality management in Alberta to 2040. Each spectrum needed to have a wide range of significant impacts and be related back to the trends and drivers. Through this process, the team developed nine spectra of possible future worlds.

Air Quality Data for Decision-Making

Will there be a trend towards the gathering of comprehensive and robust data for air quality, climate change and energy development and will that data be shared widely? Will it be transparent and accessible and will there be quality interpretation of the data and communication of the findings? The future would be different if inconsistent, uncertain and sporadic data was the norm with restricted access and mediocre standards.

Willingness to Exercise Leadership on Air Quality Issues

Will there be more aggressive and proactive effort – characterized by proactive industry action, certainty in the direction of air quality standards, and the perception of compliance as a minimum standard of performance – to enhance air quality management and ensure that all air quality issues are addressed? Will we experience little demand, or need, to change from the way air quality is managed today?

Scope/Size of Carbon Pricing and Impacts

Will environmental conditions lead to higher prices on carbon to motivate more aggressive action on climate change, with concurrent effects on air quality? Will carbon pricing have little or no effect on the behaviour of industry and individuals?

Nature of Impacts of Climate Change on Alberta

Will Alberta experience an obvious and extreme impact from climate change characterized by water shortages, disease, loss of biodiversity, and extreme weather events? Will Alberta experience local effects from climate change, such as a longer growing season with new agricultural opportunities, and nicer weather which shield us from effects elsewhere?

Holistic Economy: Prominence of Natural Capital in Human Ecological Decision-Making

How will drivers and trends change the way Albertans value their health, the environment and the ecosystem? Will there continue to be an acceptance of trade-offs between the environment and the economy? Will there be a broad recognition of externalities and the value of natural

capital? Or will the GDP based economy, jobs and the fear of recession continue to dominate the minds of Albertans? Will the balance shift?

Seat of Power: Role and Relationship of Non-Government Players in Environmental Decision-Making

Will the Government of Alberta increasingly rely on stakeholders as advisors on the range of policy perspectives on air quality? Will stakeholders increasingly be asked to develop solutions for implementation by government?

Ability of the Government of Alberta to Influence/Shape Alberta's Future

What will be the response of the Alberta Government? Will future drivers and trends take us to the point where globalization means that the decisions impacting Alberta's future will be largely dictated by global governments and markets? Will the seat of power rest with a Government that serves as a unilateral decision maker? Or will existing multi-stakeholders collaborative efforts continue and be enhanced so that mutually developed policy making becomes more of the norm rather than the exception?

Impact of Air Quality on Individual Albertans' Well-Being

Will lack of data, or confusion about the effects of air quality on Albertan's well-being prevent more aggressive action? Will air quality become a significant driver of behaviour change among consumers, commuters, investors, and designers?

Degree of Innovation in Production and Use of Alberta's Hydrocarbon Resource

Will the future drivers and trends lead us to an innovative and rich technological future where breakthroughs not only advance how emissions can be controlled but also help avoid the generation of emissions by new processes for energy development? Technology has had a major influence on how Alberta has changed in the last 30 years. What will the next 30 years look like?

There are many possible futures for Alberta and the combinations and permutations of the different issues we face, the tools we have at our disposal to deal with the issues, and the values and governance of the province present a wide range of options. CASA needs to carefully

consider the range of possible future conditions, track the trends, and determine how CASA can be best positioned to succeed, no matter what the future may be.

Of over 75 trends and drivers identified in the project team's work, there was consensus amongst the different stakeholders that dramatic change in the above nine trends and drivers would likely have a significant effect on CASA's future. Developing a means to track these trends – a kind of strategic foresight 'dashboard' for CASA – should be considered.

Key Insights

Today's operating context differs considerably from that which existed when CASA was established. Air quality challenges still exist, however their nature has become increasingly complex. In response, our management needs have evolved to require consideration of cumulative impacts across environmental media; heightened integration amongst social, economic and environmental arenas; and increased collaboration amongst a wider range of stakeholders at multiple geographic levels.

The strategic foresight project enabled participants to acknowledge the evolution of this context and to consider a range of possible futures. It forced team members to divorce themselves of the belief that the future is predictable and predetermined and to contemplate the risks associated with a 'business as usual' approach to tomorrow's challenges. As such, the SFC concluded the following:

- CASA *can be* relevant and responsive today and into the future, *but*…
- This relevancy and responsiveness is dependent upon CASA's ability to adapt to today's realities and to mature in parallel with our evolving context.

Meeting this challenge will require, amongst other things, building upon CASA's success, defining its character, expanding its reach and focus, and building capacity.

Building upon Success

- Air quality management in Alberta has advanced over the past fifteen years, much of which may be attributed to the results of the multi-stakeholder process enabled by CASA.

- Through ongoing dialogue and collaboration, CASA members have achieved a level of engagement and synergy that has led to sound and durable solutions to air quality issues.
- As the future unfolds, it will be important to capitalize on and heighten this multi-stakeholder approach and to continue to serve as a forum for relationship building.
- Building upon such past successes will help ensure organizational responsiveness to priority matters, foster innovation and optimize air quality expertise.

Defining the 'S' in CASA

- To date, CASA has focused primarily on generating solutions to air quality challenges in the province. In doing so, the organization has assumed an operational character, providing sound technical advice on policy and regulatory elements of the air quality management system.
- While this role has been of value, it has raised the question of whether CASA is a 'Clean Air *Solutions* Alliance' or a 'Clean Air *Strategic* Alliance', or possibly both. Finding clarity on this matter is fundamental to moving forward.
- Opportunity exists for CASA to demonstrate strategic leadership and to play a more proactive role in addressing emerging issues and shaping our collective path forward.

Expanding CASA's Reach and Broadening its Focus

- Regardless of whether CASA is a multi-stakeholder alliance for solutions or strategy, the reach of the organization can be expanded.
- Opportunity exists to think more holistically about air quality management and to consider integrated approaches across environmental media.
- CASA may consider tackling issues beyond its current scope, particularly issues associated with climate change.
- In addition, CASA's influence need not be restricted to provincial level policy and approaches, but instead be expanded to inform air quality management at a national, inter-provincial, regional and sub-regional scale.
- Such extension may require the engagement of a broader range of stakeholders and increased focus on education and outreach.

Building Capacity

- As CASA's operating context evolves, so too must its capacity to interact with and optimize this context.
- It will be important for CASA to evaluate its role and approaches on an ongoing basis. This may include an assessment of its vision, mission, structure and consideration of options for decision-making processes beyond CASA's traditional consensus-based approach.
- Broadening CASA's focus and engaging a wider range of stakeholders will also require enhanced capacity to facilitate 'interest-based' discussions and to contemplate air quality management issues beyond those associated with regulated emissions.
- If CASA intends to become a *strategic* alliance, capacity will be needed to understand the operating context and its implications to the organization, to anticipate and adapt to change, and to consider future possibilities so as to pursue proactive efforts.
- This may involve the routine inclusion of environmental scanning and foresight exercises and the creation of reflection time to ensure appreciation of past circumstances and performance.

Strategic Foresight Committee Members

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Stephanie Clarke	Alberta Environment
Gerry Ertel	Shell Canada Limited
Jillian Flett	Alberta Environment
Kristina Friesen	Alberta Capital Airshed Alliance
Eileen Gresl-Young	COPD & Asthma Network
Robyn-Leigh Jacobsen	Clean Air Strategic Alliance
Myles Kitagawa	Toxics Watch Society of Alberta
Norman McLeod	Clean Air Strategic Alliance
Ruben Nelson	Foresight Canada
Al Schulz	Chemistry Industry Association of Canada
Chris Severson-Baker	Pembina Institute for Appropriate Development
Rich Smith	Alberta Beef Producers
Jennifer Steber	Alberta Energy
Brian Wiens	Environment Canada
Brian Woodward	Foresight Canada
Bev Yee	Alberta Environment