DELIVE<mark>RING</mark> ON NATURE COMMITMENTS

Accelerating restoration of terrestrial and aquatic ecosystems in the UN Decade of Ecosystem Restoration (2021–2030)

Total Recommended Investment:

\$560 million over five years, coupled with directing up to \$1.94 billion in existing funds to achieve restoration targets, goals, and commitments. [NRCan, ECCC, PC, DFO, AAFC]

This investment is to ensure that by 2030 at least 30% of areas of degraded terrestrial, inland water, coastal and marine ecosystems are under effective restoration to enhance biodiversity and ecosystem functions as agreed to in Target 2 of the Kunming-Montreal Global Biodiversity Framework (KMGBF). Restoration of plant and animal communities benefits both people and biodiversity. Restored areas provide ecosystem services such as water purification, flood protection and resilience, recreational values, and climate change mitigation through the restoration of blue carbon ecosystems as well as the forests, grasslands and wetlands that sustain wildlife and sequester carbon.

Robust efforts and a highly ambitious plan are required to meet Target 2 of the KMGBF, commitments under the Freshwater Challenge, and the initial pledge of approximately 19 million hectares of terrestrial ecosystems in need of restoration under the Bonn Challenge.

Achieving Canada's restoration goals will require:

- A commitment of funds and the establishment of targets for the restoration of degraded lands, coastal areas, and freshwater habitats;
- The support and mobilization of land and water stewards with jurisdiction and authority over degraded habitats (Indigenous Peoples, federalland stewards, land stewards in other levels of government, private landowners);
- Policies and programs ensuring benefit sharing with Indigenous Peoples in the restoration economy;
- An increase in the number of trained restoration professionals working to identify

and apply the restoration approaches necessary to achieve the targets for specific regions and habitats (e.g., on land: active and passive restoration, prescribed fire, revegetation, invasive species control); and

• Establishing the regional demand for restoration materials (primarily seeds and trees) so that a regionally appropriate supply of materials can be built over time.

To that end, the Green Budget Coalition recommends that the federal government:

1. Establish a working group to coordinate restoration efforts across government

It is imperative to foster collaboration within the federal government and across other levels of government to establish targets, definitions, define baselines, and work toward the following goals:

- Improving the integration of existing restoration programs to measure impact and maximize cross jurisdictional efforts and build a share network of best practice, data and knowledge sharing;
- Supporting work to direct and expand existing funding, or establish new funds;
- Create new, or reform existing, permitting processes and mechanisms to address overlapping jurisdiction to facilitate and expedite restoration;
- Supporting Indigenous-led restoration and Indigenous participation in the restoration economy; and
- Establish a common platform for tracking and reporting on progress.

\$10 million over five years [PC, ECCC, NRCan]

2. Support a national seed supply for landbased restoration

For Canada to meet its international commitments to restore degraded areas, approximately 95 million kilograms of ecologically appropriate native grass and wildflower seed would be required. Current supply is insufficient. Canada does not currently have the native seed supply necessary to meet these committed targets. Other countries including the United States and Australia have recognized this and taken action.⁹¹

To achieve Target 2, the Bonn Challenge goal, and ensure equitable inclusion of Indigenous people in the restoration economy, the following steps should be considered:

- Build an inter-departmental federal leadership team to support the creation of a robust seed supply by:
 - Developing policies that favour use of local, native plants in restoration and reclamation (e.g., procurement policies) – which will generate consistent and predictable seed demand.
 - Supporting the development of a national native seed industry association to meet existing standards for bulk seed within the Seeds Act and enabling a seed source certification program.
 - Estimating native seed demand regionally across Canada – where demand exists, where priority areas for seed-based restoration exist, and what species are required.
 - Encouraging/incentivizing provincial, territorial, and municipal partners to adopt policies and practices (e.g., rights-of-way vegetation management) that favour use of local, native plants in restoration and reclamation.
- Provide greater financial support to native seed producers for infrastructure, technology, and creation of an ecoregional seed tracking and

labeling program, a code of ethics, and seed certification program.

- Provide financial support to new and existing regional and provincial native seed partnerships and networks to allow them to pool native seed needs and build forward contracting systems with native seed growers.
- Provide support for the agricultural sector to build native seed production on agricultural lands.
- Increase seed storage capacity across Canada by leveraging existing infrastructure (e.g. AAFC research farms, NRCAN National Tree Seed Centre) and building new facilities.

\$50 million over five years [NRCan, AAFC, ECCC]

3. Direct existing funds to contribute to Canada's restoration goals

There are substantial programs and funding currently in place that can be leveraged to restore degraded habitat and achieve Target 2. The table below provides a partial list of applicable programs and estimates of the funding that could be directed to restoration.

\$1.936 billion over six years [multiple departments, see table on page 65]

⁹¹ National Academies of Sciences, Engineering, and Medicine. 2023. An Assessment of Native Seed Needs and the Capacity for Their Supply: Final Report. Washington, DC: The National Academies Press. https:// doi.org/10.17226/26618. And U.S. Bureau of Land Management press release February 7, 2024: https://www.blm.gov/press-release/blmannounces-18-million-enhance-native-seed-supply-climate-resilience-0

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4. Expand the Aquatic Ecosystems Restoration Fund

Renew and expand the fund to include both coastal and inland aquatic ecosystems with the following recommendations for the design of the fund:

- Allocate a portion of the fund to build and sustain regional habitat partnerships to increase collaboration and leverage regional capacity for ecosystem restoration;
- Ensure restoration funding mechanisms cover the scale and timeframe necessary for identification of priority sites and assessment of restoration outcomes and benefits;
- Support the development and implementation of regional habitat restoration plans;
- Increase the capacity of Indigenous organizations, non-governmental organizations, and local stewardship groups to implement high-quality restoration projects;
- Allocate a portion of the fund to establish a fish-passage program to restore access to habitat for priority species; and
- Make enhanced carbon sequestration through the restoration of blue carbon ecosystems an objective of the fund.

5. Establish the Terrestrial Ecosystems Restoration Fund

Invest in a new terrestrial ecosystem restoration fund managed by ECCC in collaboration with AAFC that focuses on restoring degraded lands. This fund would support restoration of wetlands, native grasslands, meadows, riparian areas, and native forests that are not covered by existing funding programs.

Restoration projects can begin in the first year as there are shovel ready projects across Canada. In parallel with initiating restoration of priority ecosystems, federal and provincial governments should work to define (building on existing international work), identify and map degraded areas such as marginally economically productive agricultural lands, rail/road/energy rights of ways, and altered riparian or coastal areas, as well as develop terrestrial restoration priorities with timelines and targets, incorporating existing federal program priorities such as the ECCC Priority Places for species at risk.

\$300 million over six years [ECCC]

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\$200 million over six years [DFO]

Directing and expanding existing funds to contribute to Canada's restoration goals and targets.

Program	Existing Allocation (\$ CAD)	Duration	Can funds be used to restore degraded habitat?	ls restoration a priority for the fund?	Opportunity
Nature Smart Climate Solutions Fund (NSCSF)	\$1.4 billion	10 years (2021- 2031)	Yes	No	Direct 20% (\$280 million) of fund to restoration NBS pathways: riparian tree planting; wetland restoration; meadow and grassland restoration; restoration of forest cover.
2 Billion Trees	\$3.19 billion	10 years (2021- 2031)	Yes	Partial	Direct 50% (\$1.6 billion) of funds to restoration of degraded forest habitat. Focus on Priority Places, IPCAs, and Freshwater Action Plan Priority Watersheds
National Adaptation Strategy	\$1.6 billion of which \$530 million for a Green Municipal Fund	5 years (2022-2027)	Yes	Partial	Direct 10% (\$53 million) of the GMF to restoration of degraded ecosystems that would help prevent and mitigate extreme weather events.
Habitat Stewardship Program	\$6.5 million annually	ongoing	Yes	Partial	Direct 30% (\$2 million) of the fund to restoration of degraded habitat for priority species and places.
Wildlife Habitat Canada - Canadian Wildlife Habitat Conservation Stamp	\$1.4 million annually	ongoing	Yes	Yes	Increase the value of the stamp to \$20 and direct 30% (approx. \$1 million) of WHC funds for restoration of degraded habitat.
Aquatic Ecosystem Restoration Fund	\$75 million	5 years (2022-2027)	Yes	Yes	Allocate an additional \$200 million and expand the fund to cover Freshwater Action Plan priority watersheds.
North American Waterfowl Management Plan (NAWMP)	\$15.5 million (2020-2021)	ongoing	Yes	Yes	Maintain existing priorities. Increase federal funding to provide 50% of the required match going forward (e.g., \$30 million in 2024-25).
Parks Canada Conservation and Restoration Program	\$14.7 million	5 years (2021-2026)	Yes	Yes	Allocate an additional \$15 million focused on degraded habitat restoration.