Alliance of Canadian Land Trusts
Alliance canadienne des organismes de conservation

CAPE
Canadian Association of Physicians for the Environment
Association canadienne des médecins pour l'environnement
ACME

Canadian Environmental Law Association
EQUITY. JUSTICE. HEALTH.

CPAWS
CANADIAN PARKS AND WILDERNESS SOCIETY

CANADIAN WILDLIFE FEDERATION

DAVID SUZUKI FOUNDATION
One nature.

Ducks Unlimited Canada

ecojustice

Ecology Action Centre

Équiterre

Les Ami(e)s de la Terre
Friends of the Earth

GREENPEACE

ICFC
where nature needs us most
International Conservation Fund of Canada

IISD
International Institute for Sustainable Development

Nature CANADA

NATURE CONSERVANCY CANADA

PEMBINA Institute

Pollution Probe

WEST COAST Environmental Law

WILDLIFE HABITAT CANADA
HABITAT FAUNIQUE

WWF

Yellowstone to Yukon
Conservation Initiative

GREEN BUDGET COALITION

RECOMMENDATIONS FOR BUDGET 2025

FEATURING

1. **Delivering on Nature Commitments**
2. **Retrofits for Resiliency and Affordability**
3. Sustainable Agriculture
4. Sustainable Jobs
5. Office of Environmental Justice

plus sustainable finance, international climate finance, and more

Contents

Cover photos: Ian Wagg and Pembina Institute

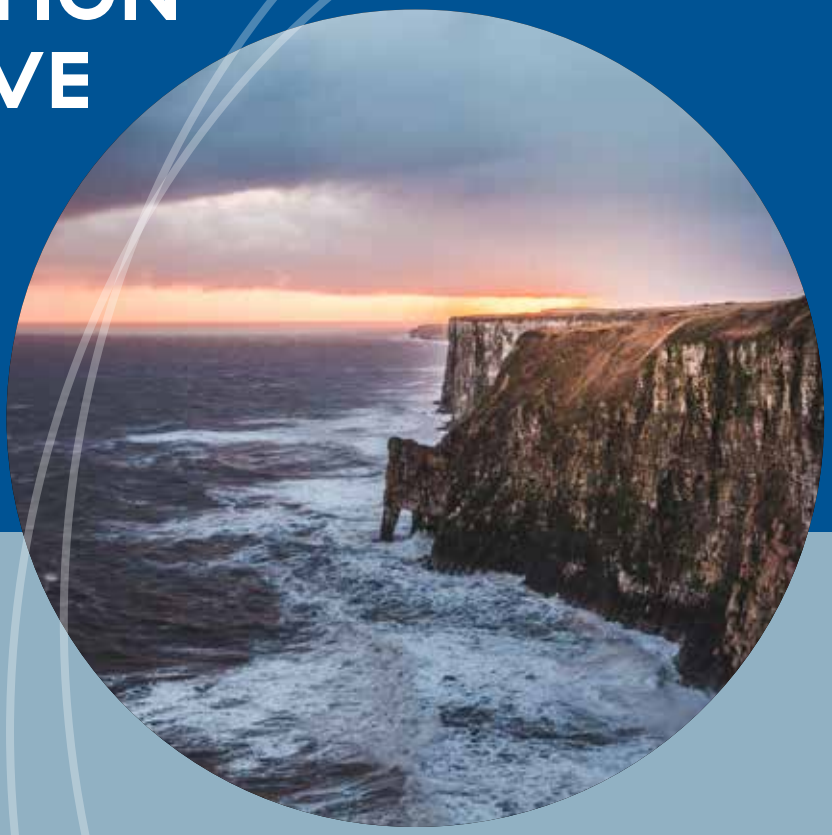
Expected lead departments & agencies

DELIVERING ON NATURE COMMITMENTS – DETAILED AND COMPLEMENTARY RECOMMENDATIONS

Department and agency acronyms are listed on page 87.

This document will be available, in English and French, at www.greenbudget.ca.

INTRODUCTION & EXECUTIVE SUMMARY



Budget 2025 provides a prime opportunity, responsibility and imperative for the federal government to renew and strengthen action on the linked climate and biodiversity crises, while making life more affordable, reducing future costs, creating quality jobs, and protecting health and safety, particularly for vulnerable communities.

Fires, floods, stronger storms, extreme heat, ecological disruption, dramatic loss of wildlife populations, and a rapidly warming Arctic are being felt in Canada and around the world, causing widespread harm, particularly to low-income and vulnerable people, as well as huge economic costs. Science indicates that these and other impacts will intensify if climate change and ecosystem destruction remain unchecked.[1]

At the same time, global efforts and investments to address these crises such as the

1 See for example, the UN's International Panel on Climate Change 2021 report, "AR6 Climate Change 2021: The Physical Science Basis, Summary for Policy Makers", at https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf, and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) May 2019 report at https://ipbes.net/global-assessment

Photos: left, Andy Holmes; right, Thom Holmes

U.S. Inflation Reduction Act are expected to create many trillions of dollars in economic benefits, and help their countries be economic leaders for years to come.[2]

For Budget 2025, the Green Budget Coalition is featuring five recommendations, as part of a comprehensive package of timely and ambitious budget and fiscal recommendations:

1. **Delivering on nature commitments** – Renew and expand on the Enhanced Nature Legacy (protecting and connecting land and freshwater), and Marine Conservation Targets programs to continue Canada's leadership on nature protection and to support new conservation initiatives identified in Canada's 2030 Nature Strategy to deliver on Canada's obligations to the Kunming–Montreal Global Biodiversity Framework ($5.5 billion over five years, then $1.1 billion per year ongoing);

2. **Retrofits for resiliency and affordability** – Expand and coordinate existing investments and programs to deliver retrofits that integrate health, affordability, and adaptation targets, and accommodate the unique needs of low–income households, and Indigenous, northern and remote communities ($12.4 billion over five years);

3. **Sustainable Agriculture Strategy: Cultivating success** – Key recommendations to help producers and Canada be a leader in sustainable and innovative agriculture with a resilient and diversified food system ($2.6 billion over five years, then $87 million per year, ongoing);

4. **Sustainable jobs for workers and communities** – Scale up investment in workforce preparedness by creating green job opportunities for youth, expanding regional workforce development approaches, enabling Indigenous clean energy pathfinding, and undertaking labour market analysis ($6.5 billion over five years); and

5. **Office of Environmental Justice** – Establish a permanent, high–level Office of Environmental Justice, to ensure that environmental protection programs, policies, investments and laws account for community and population–level inequities ($555 million over five years, then $77 million per year, ongoing).

2 The IRA was projected by the U.S. government to yield cumulative global economic benefits from reduced greenhouse gas pollution of over $5 trillion from introduction to 2050. https://home.treasury.gov/news/featured-stories/the-inflation-reduction-acts-benefits-and-costs

The Green Budget Coalition urges the Government of Canada to adopt the strategic and large-scale recommendations outlined in this document, building on the government's important progress to date.

Canada has demonstrated leadership in protecting and enhancing nature and biodiversity by adopting the Kunming-Montreal Global Biodiversity Framework (GBF) in 2022, and then releasing Canada's 2030 Nature Strategy as its implementation plan. Canada now has a broad suite of commitments to halt and reverse biodiversity loss by 2030, however renewed and expanded funding is needed to fulfill them.

To meet our Paris Agreement commitments, Canada must achieve a 60% reduction in GHG emissions below 2005 levels by 2030[3] and contribute our fair share to global emission reductions. Budget 2022 noted that $125-140 billion needs to be invested in climate action per year by 2050.[4]

For all new and ongoing programs, we emphasize the importance of effective implementation, monitoring, and evaluation to ensure successful outcomes.

Relatedly, it is critical to maintain the government's core capacity for environmental governance and environmental and climate science, programs, and policy, and to not sacrifice it in the interests of short-term financial savings.

Photo: Aline Dassel

3 While the Green Budget Coalition appreciates the federal government's recent efforts to meet the current 2030 GHG emission reduction target of 40-45% below 2005 levels, the GBC—and many others—considers this target insufficient for the country to do its fair share of the global effort to limit global warming to below 1.5°C. As such, leading Canadian environmental NGOs call for actions that lead to 60% emissions reductions below 2005 levels by 2030 domestically, and more action internationally. See, for example, Christian Holz, "Deriving a Canadian Greenhouse Gas reduction target in line with the Paris Agreement's 1.5°C goal and the findings of the IPCC Special Report on 1.5°C". https://climateactionnetwork.ca/wp-content/uploads/2019/12/CAN-Rac-Fair-Share-%E2%80%94-Methodology-Backgrounder.pdf

4 Government of Canada "A Plan to Grow Our Economy and Make Life More Affordable", Chart 3.1 (2022). https://budget.gc.ca/2022/pdf/budget-2022-en.pdf

Canada must also strive to advance and embed climate, biodiversity and environmental justice goals across government, using tools such as sustainable finance, net-zero industrial policy, climate and biodiversity conditions on funding and policy measures, and a national environmental justice strategy and screening tools.

Many of the recommendations in this document are relevant to the rights and authorities of Indigenous peoples—First Nations, Inuit, and Métis—whose traditional territories and knowledge are integral to the achievement of Canada's climate and conservation goals. These recommendations should be considered in the context of reconciliation, and pursued in a manner in keeping with the United Nations Declaration on the Rights of Indigenous People.

In addition, Canada's opportunities and responsibilities include actions internationally.

Implementing these Green Budget Coalition recommendations would lead to transformative progress in advancing enduring environmental, economic, and social prosperity for all peoples in Canada from coast to coast to coast.

GBC Feature Recommendations – Alignment with Government Priorities

	Mitigation: Reducing GHG emissions	Adaptation & resilience	Halt & reverse biodiversity loss	Clean growth & job creation	Equity, health & well-being	Cost of Living	Housing
1 Delivering on Nature Commitments	✔	✔	✔	✔	✔		
2 Retrofits for Resiliency and Affordability	✔	✔		✔	✔	✔	✔
3 Sustainable Jobs	✔	✔	✔	✔	✔		✔
4 Sustainable Agriculture	✔	✔	✔	✔	✔		
5 Office of Environmental Justice		✔			✔		

Who We Are

The Green Budget Coalition (GBC), founded in 1999, brings together twenty-two leading Canadian environmental and conservation organizations, which collectively have over one million Canadians as members, supporters, and volunteers.

Our Mission

The mission of the Green Budget Coalition is to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities.

Our Vision

The Government of Canada contributes to securing and maintaining the environmental sustainability of Canada through appropriate investments in environmental programs, and through the adoption of appropriate policies related to taxation, pricing, and subsidies.

Objectives

- To bring together the collective expertise of leading Canadian organizations regarding the important environmental issues facing Canada;
- To prepare and promote prioritized recommendations annually to the federal government on policies, actions and programs whose implementation would advance environmental sustainability and which could be reflected in the federal budget; and
- To monitor federal budget decisions and spending estimates and to track Green Budget Coalition recommendations with a view to assessing the likely effect of budgetary and fiscal decisions on the environment and to evaluating the Green Budget Coalition's impact on fiscal policy and budgetary actions.

The Green Budget Coalition's Chair is Jessica McIlroy, the manager of the Pembina Institute's Buildings program.

The Green Budget Coalition sincerely thanks the Catherine Donnelly, Echo, Gosling, Ivey, McLean, Metcalf, and Sitka Foundations for their generous financial support. The Green Budget Coalition's efforts are funded by its members and these foundations.

FEATURE

Feature
RECOMMENDATIONS

Photo: Brigipix

1 DELIVERING ON NATURE COMMITMENTS

In 2019, Canada made a leadership commitment to protect 30% of land and ocean by 2030, and in 2021 put in place significant investments to support implementation through the Enhanced Nature Legacy and Marine Conservation Targets programs. With the adoption of the Kunming–Montreal Global Biodiversity Framework (GBF) in December 2022, and the recent release of Canada's 2030 Nature Strategy which includes all the GBF targets, Canada now has a broader suite of commitments to halt and reverse biodiversity loss by 2030. This year's feature Nature recommendation will ensure foundational progress towards achieving 30% protection of land and ocean continues, including through long–term investments in Indigenous–led conservation, while also advancing implementation of broader commitments on ecological restoration, planning,

Photos: left, TFDA; right, Victor Adam

and subsidy reform. Other critical investments to more fully implement the GBF and Canada's 2030 Nature Strategy are provided as complementary recommendations.

Total Recommended Investment:

- Renew and build on Enhanced Nature Legacy and Marine Conservation Target programs: **$4.6 billion over five years then $1.1 billion per year, ongoing.**
- Advance other key elements of Canada's 2030 Nature Strategy: **$885 million over five years, then $15 million per year, ongoing, plus redirecting $2.5 billion in existing funding, and accelerating efforts on subsidy reform.**

Renewing and Building on the Enhanced Nature Legacy and Marine Conservation Targets Programs

Recent significant federal investments have had enormous positive impacts for nature and Canadians, putting us on a hopeful path towards delivering on the commitment to protect at least 30% of land and ocean, contributing to Canada's reconciliation and climate goals, as well as supporting nature and culture-based economies which provide good, local jobs and support community prosperity. To ensure this positive progress continues across Canada, renewal of the Enhanced Nature Legacy (ENL) and Marine Conservation Targets (MCT) investments is critical, along with further advancing on implementing Canada's new 2030 Nature Strategy.

ENL and MCT funding has already resulted in major progress, including:

- Support for Indigenous-led conservation initiatives across Canada, including Indigenous Protected and Conserved Areas (IPCAs) and Guardians programs
- A fourteen-fold increase in marine protected and conserved areas in the past eight years
- A vast increase in land and ocean protection initiatives underway, led by Indigenous Nations, local land trusts, and other community-based organizations[5]
- Nature Agreements with BC, NS, and YT, leveraging provincial and territorial investments and commitments
- Development of pan-Canadian protection standards (ocean and terrestrial) for protected and conserved areas
- Ecological corridors identified and community-based projects supported to enhance connectivity across the landscape
- Increased investment in protecting species at risk and their habitats

5 A 2022 report found that existing initiatives, in particular Indigenous-led conservation initiatives, if supported and fully implemented, could deliver the quantitative 30% land and ocean protection target. CPAWS 2022 Roadmap, CPAWS. https://cpaws.org/our-work/roadmapto2030/

Building on the ENL and MCT programs, enhanced investment is also needed to deliver on the federal government's signature commitment to create 10 new national parks, 14 national marine conservation areas (10 in the ocean and 4 freshwater), and 15 national urban parks by 2030, in partnership with Indigenous Nations. While funding has been allocated to move park proposals through the feasibility phase, federal investment to establish and steward these parks with Indigenous partners once negotiations are complete is still urgently needed. Providing certainty upfront that long-term funding will be available to support stewardship, jobs and economic prosperity is critical to build trust, negotiate in good faith, and meet community expectations.

Evidence shows that investing in protected natural areas generates a significant return on investment. For example, in 2022-23 every dollar spent by Parks Canada resulted in a 4.2 dollar contribution to Canada's GDP and Parks Canada and resultant visitor spending supported 38,000 full time equivalent jobs across Canada, many in rural and remote communities.[6] Select programs also attract matching investment from the private sector, charitable foundations and other levels of government to maximize overall investment in conservation.

6 https://parks.canada.ca/agence-agency/bib-lib/rapports-reports/impact-economique-economic-impact/impact-economique-2022-2023-economic-impact

Photo: Brandon E.

Advancing Canada's 2030 Nature Strategy

In June 2024, the federal government released Canada's 2030 Nature Strategy, which includes the 30% land and ocean protection target as well as a broader suite of important actions to deliver on the full Kunming-Montreal Global Biodiversity Framework obligations under the Convention on Biological Diversity. The GBF reflects the urgency for transformational change to halt and reverse nature loss and establishes ambitious targets that Canada must meet by the end of this decade. Expanded and longer term investment is needed to support new conservation initiatives identified in the Strategy to ensure we reach all our national and international biodiversity targets by 2030. Designed well, this investment can result in the added benefit of engaging and mobilizing Canadians from coast to coast to coast in efforts to protect and restore our country's beloved natural heritage—a core value of Canadians—and contribute to resilient, diversified economies and community well-being.

In addition to protecting land and ocean, restoration of plant and animal communities is also critical to reverse biodiversity loss in areas where ecosystems have been degraded. Restoration benefits both people and nature, providing 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 sequester carbon. Restoration activities are also a great way to engage Canadians in activities that support Nature. Robust efforts and an ambitious plan are required to meet Canada's ecological restoration commitments which include Target 2 of the GBF, commitments under the Freshwater Challenge, and the initial pledge of restoring approximately 19 million hectares of terrestrial ecosystems under the Bonn Challenge.

Photo: Living Lakes Canada

Over the past decade, Canada has shown leadership on Nature both domestically and internationally. However, more is required to follow through on ambitious commitments to tackle the urgent crisis of biodiversity loss. The stark realities of biodiversity loss are increasingly evident across Canada and pose existential threats to our society, environment, and economy. Studies show that more than half of global GDP, amounting to $44 trillion, depends on nature.[7] The World Economic Forum has identified biodiversity loss and ecosystem collapse as a top global risk.[8]

Much of the work to protect, connect, restore and sustainably manage biodiversity hinges on an integrated effort across and among federal, provincial, territorial and Indigenous governments and sufficient long-term and consistent funding. The cost of not adequately investing in maintaining and restoring healthy ecosystems will far outweigh the investments required now to halt and reverse biodiversity loss.[9]

Corporate nature-positive commitments and finance initiatives such as the Task Force on Nature Related Financial Disclosure are building a strong case for private sector investment in nature. However, this private investment will often rely on partnerships and financing initiatives that are blended with public money. To leverage greater private investment, the federal government needs to double down on its investments into nature, not retreat.

Target 18 of the GBF and 2030 Nature Strategy requires Canada to reform subsidies that harm nature, offering an opportunity for the federal government to not only reduce harm to nature but also to invest more in supporting nature protection and restoration priorities. This, combined with a greater emphasis on developing incentives, tools, and strategies to encourage and enable the private sector to invest in nature, as called for in Target 19, could help to raise additional resources to meet biodiversity goals through innovative conservation finance opportunities.

To help ensure implementation of the GBF commitments, a new Nature Accountability law has been tabled in Parliament and is expected to establish a nature advisory committee to help guide implementation of the Nature Strategy. Ensuring this Committee is well resourced will also be important.

Photo: Living Lakes Canada

7 World Bank, Securing Our Future Through Biodiversity, https://www.worldbank.org/en/news/immersive-story/2022/12/07/securing-our-future-through-biodiversity

8 World Economic Forum (2023). Global Risks Report 2023, https://www.weforum.org/reports/global-risks-report-2023/digest

9 The Economics of Biodiversity: The Dasgupta Review, 2021, https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review

Recommendations:

Renew and build on the Enhanced Nature Legacy and Marine Conservation Target programs:

- **$1 billion over five years and then $200 million per year ongoing** for Marine Conservation Targets (Targets 1, 3, 22) [DFO, PC, ECCC, TC, NRCan, CIRNAC]
- **$2.9 billion over five years and then $500 million per year ongoing** for protecting and connecting land and freshwater (Enhanced Nature Legacy), with a priority on supporting Indigenous–led conservation initiatives, encouraging action by provinces and territories, building Canada's National Ecological Corridors Program and supporting other implementation partners (Target 1, 3, 4, 22) [ECCC, PC, HICC]
- **$675 million over five years and then $400 million per year ongoing** to establish and manage the promised 10 new national parks, 14 new NMCAs, 15 National Urban Parks, in partnership with Indigenous Nations. (Target 3, 12, 22) [PC]

Advance other key elements of Canada's 2030 Nature Strategy:

- Marine spatial planning: **$75 million over five years, then $15 million per year, ongoing** to complete collaborative marine spatial planning processes in all ocean bioregions [DFO, ECCC, PC, NRCan, TC]
- Ecological restoration: **$810 million over five years of new investment, and directing existing funding (estimated at $2.5 billion)** to focus on delivering on international and national restoration commitments [NRCan, ECCC, DFO, AAFC]
- Subsidy reform: Accelerate efforts to identify federal subsidies that harm nature and reform them to support nature–positive actions. [FIN, ECCC, DFO, AAFC, NRCan]

Photo: Elyse Turton

More detail about these and other important investments required to implement Canada's 2030 Nature Strategy are provided later in this document, in the *Delivering on Nature Commitments – Detailed and Complementary Recommendations* section.

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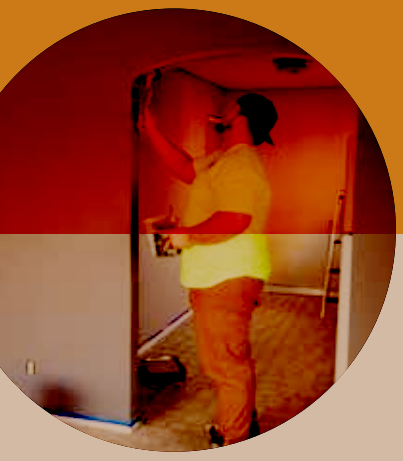
2 RETROFITS FOR RESILIENCY AND AFFORDABILITY



Governments across Canada are starting to show leadership in making sure homes are affordable, healthy, safe and resilient to extreme weather. However, addressing our twin housing and climate crises will require significant investments in upgrading homes and buildings.

Total Recommended Investment:

$12.44 billion over five years (detailed breakdown can be found below)

In light of rising energy costs and a housing affordability crisis, retrofit programs have emerged as a critical emissions reduction and climate adaptation solution. Retrofits also contribute to a more equitable and sustainable energy landscape while fostering long-term resilience for vulnerable populations.

Financial and regulatory support for new home construction is advancing rapidly, but we must remember that affordable housing isn't affordable unless it's affordable to heat and cool, and is energy-efficient and climate-safe. As we collectively work to

Photos: left, Laura Shaw; right, John Boy Gould Electrical

increase housing supply across all regions of the country, we must ensure that these new homes are resilient to climate change and do not add to future retrofit and upgrade burdens.

Budget 2024 highlighted the important role that all levels of government play in ensuring all Canadians have access to housing. To ensure all homes have safe levels of indoor air quality, protect occupants from the impacts of climate change, and are able to reduce energy use, costs and emissions, we must:

- Commit to a plan and process to phase out the on-site combustion of fossil fuels and ensure homes are connected to reliable, clean electricity;
- Establish the regulations and policy tools required to advance large capital investments in upgrading building envelope and ventilation systems while establishing a market for high-performance buildings; and
- Recognize that climate-safe housing is a human right and accommodate the unique needs of Indigenous communities.

Over the past few years the critical strategic building blocks have been put in place with the National Adaptation Strategy, the National Housing Strategy, and the Canada Green Building Strategy, which are critically linked to the national climate and energy plans. These strategies require cross-departmental alignment and designated accountability. Also required are targeted regulations and capital funding to stimulate labour and industry growth and retrofit market demand while addressing the needs of Canadians facing the impacts of climate change, as well as those living with high energy burdens.

The Canada Greener Homes Affordability Program takes the right step in partnering with provinces to deliver energy efficiency retrofits to low- and medium-income households. However, the program budget and scope was dramatically reduced and is not sufficient to continue supporting medium and low-income families in upgrading their homes. The recently launched Deep Retrofit Accelerator Initiative offers an opportunity to leverage and enhance funding through locally-focused concierge and market accelerator programs.

Photo: iStock

Background:

- The total public investment needed to stimulate decarbonization and climate-proofing of Canada's existing building stock has been estimated at **$10- 15 billion per year for ten years**, covering 50-75% of the incremental cost of the required upgrades (above normal replacement costs).[10]
- The Indigenous Clean Energy (ICE) Indigenous Housing Energy Efficiency Data Set[11] estimates 209,000 homes in Indigenous communities across Canada require energy efficiency upgrades. Combined with the need for about 72,000 new climate resilient homes, it **represents an investment of $7.4 billion**.
- Migrant farmworkers are exposed to extreme heat both in their workplaces and often in their on-farm housing, creating serious cumulative health risks. The federal government requires that the housing provided to migrant farm workers be clean and adequate, yet according to the Employment and Social Development Canada's "What we Heard" survey of migrant worker housing, approximately 43% of on-farm homes for workers are not mechanically cooled.

Detailed Recommended Investments:

To begin ramping up to the full investment level needed, the Green Budget Coalition recommends that the 2025 federal budget allocate $12.44 billion over five years, including:

- **$7 billion over five years** for no-cost home efficiency retrofits and heating electrification for low-income households experiencing energy poverty, with assurances to include and protect renters. Within this funding stream, special attention should be paid to rental buildings, non-market and social housing. Funding should also address climate adaptation measures to make these homes healthier, safer and more resilient.[12] [NRCan, CMHC, HC, HICC]
- **$3.8 billion over five years** for deep retrofits and energy efficiency investments for housing in Indigenous communities, as identified by Indigenous Clean Energy.[13] [ISC, CMHC, CIB, HICC]
- **$10 million over five years** for targeted retrofit funding to make on-farm homes provided for migrant workers more efficient, safe and include mechanical cooling. [CMHC, CIB, ESDC]

10 Pembina Institute, "Canada's Renovation Wave: A plan for jobs and climate." 2021. https://www.pembina.org/pub/canadas-renovation-wave
11 Indigenous Clean Energy, "Energy Foundations." 2021. https://indigenouscleanenergy.com/wp-content/uploads/2022/06/Energy-Foundations-Report-FINAL.pdf
12 Based on a total funding requirement of $2.8 billion per year with a 50% cost sharing split between the federal government and other levels of government: Pembina Institute, "Better Building for All: Relieving energy poverty through deep retrofits." 2024. https://www.pembina.org/reports/better-buildings-for-all-corrected.pdf
13 Based on the costs estimate of Indigenous Clean Energy: Indigenous Clean Energy, "Energy Foundations." 2021. https://indigenouscleanenergy.com/wp-content/uploads/2022/06/Energy-Foundations-Report-FINAL.pdf

- **$1.5 billion over five years** for skill development, capacity building and recruitment, with funds earmarked to increase equity and diversity in the retrofit economy.[14] [NRCan, ISED, HC]
- **$125 million** for last–mile capital investment in 15–20 transformative deep retrofit demonstration projects identified by the teams participating in the Deep Retrofit Accelerator Initiative. [NRCan]
- **$5 million** for the development of a National Affordable Home Energy Strategy with clear actions and outcomes to address energy affordability in Canada. This national strategy should be developed with a focus on energy poverty, with the input of a new advisory group. It should fill gaps in federal policy on energy poverty that remain after the publication of the National Adaptation Strategy and Canadian Green Building Strategy. [NRCan, HICC]

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Photo: Greg Rosenke

14 This mirrors the recommendations of the Canada Green Building Council and Efficiency Canada: https://electricenergyonline.com/article/energy/category/environment/18/834780/cagbc-tables-recommendations-for-canada-spost-covid-19-economic-recovery.html and https://www.efficiencycanada.org/wp-content/uploads/2020/09/EffCan-2020-Advocacy-federal-Pre-budget-submission.pdf

3 SUSTAINABLE AGRICULTURE STRATEGY: CULTIVATING SUCCESS

The Canadian agri-food and agriculture sector is at a critical juncture. As a sector inherently tied to the rhythms of nature, it is uniquely vulnerable to the impacts of climate change. These impacts threaten Canada's ability to produce food, fiber, and fuel for both domestic consumption and the global market. Despite these considerable challenges, the agriculture sector holds significant potential to advance solutions for achieving national and international goals or commitments such as mitigating climate impacts and reversing biodiversity loss.

The Green Budget Coalition envisions Canada as a leader in sustainable and innovative agriculture, with a resilient and diversified food system. For Canada to sustainably intensify production and drive broader food system outcomes by improving food security, adapting to climate change, and managing demands on limited natural resources, it is integral that producers are encouraged and incentivized to adopt and augment climate-smart and nature-positive practices and technologies. This must be a collective priority, balancing the immediate needs of Canadians with the long-term health of our environment.

Photos: left, Elisabeth Joly; right, Zoe Schaeffer

Agriculture and Agri-Food Canada's Sustainable Agriculture Strategy (currently under development) aims to set a unified course for enhancing the sector's environmental performance while supporting farmer livelihoods and the business vitality of agriculture.[15] For this strategy to succeed, it requires an implementation plan that is adequately resourced and forward-thinking, promoting the widespread adoption of climate-smart and nature-positive practices, tools, technologies, and innovations across agricultural landscapes and agri-food value chains. Achieving this vision also requires robust collaboration across all levels of government and the private sector.

The Green Budget Coalition recommends that the federal government fund and implement the Sustainable Agriculture Strategy with an emphasis on continual improvement to achieve greater environmental outcomes and resiliency for producers. The following recommendations would help advance and support the implementation of the Sustainable Agriculture Strategy.

Total Recommended Investment: $2.6 billion over five years, followed by $87 million per year, ongoing

Specific Recommended Investments:

A) Support programs that provide biodiversity and ecosystem service benefits **$290 million over five years** [AAFC, ECCC, PMO, StatCan, NRCan]

Key Actions:

- **Provide financial incentives to producers for the avoided conversion** of native and tame grasslands, wetlands, and forested areas. (**$125 million over five years**).
- Support programs that maximize the economic and environmental **return of marginal land ($50 million over five years)**.
- Allocate start-up funding to facilitate the development of a **market-based system for quantifying and valuing ecological services on-farm ($75 million over five years)**.
- Develop a comprehensive and inclusive **national land use strategy** in collaboration with provinces, territories, and Indigenous peoples (**$40 million over five years**).
- Improve the regulatory process and continuous monitoring of **pesticide use** to reduce risk and to ensure transparent, robust, and data-driven decisions. *See also Data collection to support regulatory evaluation of pesticides, later in this document.*

Photo: Randy F.

Rationale:

1. **Environmental impact:**
   - Supports healthy and resilient ecosystems.
   - Mitigates climate change by enhancing carbon sequestration and reducing greenhouse gas emissions.

15 Sustainable Agriculture Strategy: What We Heard Report https://agriculture.canada.ca/en/department/transparency/public-opinion-research-consultations/sustainable-agriculture-strategy/what-we-heard-report-sustainable-agriculture-strategy

- Provides essential ecosystem services (provisioning, regulating, cultural, and supporting services) and supports climate resiliency.

2. **Economic benefit:**
   - Enhances soil health, biodiversity, and ecosystem services which can lead to increased agricultural productivity and resilience against climate change and pests.
   - Markets for ecological services can generate additional revenue streams for landowners and contribute to sustainable economic growth.
   - Creates new economic opportunities such as advancing sustainable agricultural practices.
3. **Social and community impact:**
   - Enhances community well-being through provisioning services (e.g., food and water), cultural services (e.g., recreational and spiritual), and supporting services (e.g., nutrient cycling) to enhance quality of life and overall health.
   - Promotes sustainable land use practices and secure livelihoods for producers and rural communities.
   - Engages communities in conservation efforts fosters a sense of stewardship and collective responsibility for the environment.

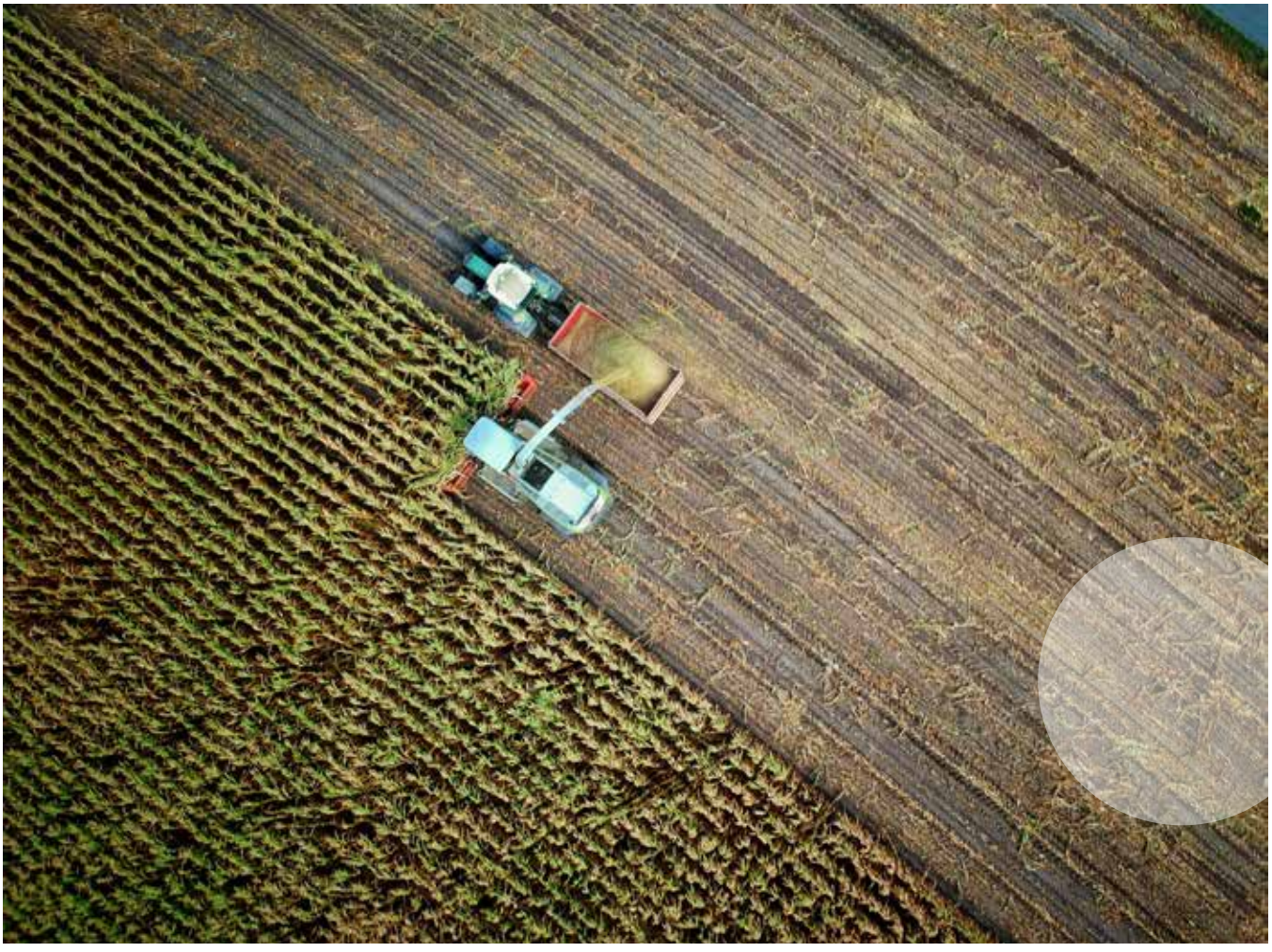

Photo: N. Cares

B) Build knowledge and technology transfer capacity to improve economic, environmental, and social benefits **$1.040 billion over five years** [AAFC, StatCan, ECCC, NSERC, SSHRC].

Key Actions:

- Improve climate and biodiversity **data collection, harmonization, transparency, dissemination, and utilization** to improve measuring, reporting, and verifying data to inform the National Inventory Report, encourage the adoption of natural climate solutions, improve agricultural policy-making and programs, and decisions across the value chain (**$500 million over five years**).
- Support the transition of the **Living Labs Program** from pilot to permanent program (**$25 million over five years**).
- Advance social science research to ensure **Best Management Practices (BMPs)** are fiscally sound and financially attractive to encourage full-spectrum participation (**$250 million over five years**).
- **Enhance technical assistance and training** by expanding the extension program to fund 1,500 new extension service agents; improving access to resources, training, and education; supporting farmer-to-farmer and peer-to-peer learning opportunities, and developing a training and certification program to help producers accelerate the adoption of best management practices (**$250 million over five years**).
- Support the development and implementation of a **Pan-Canadian soil health strategy** that will provide farmers access to information, technical support, and financial resources needed to improve soil health (**$15 million over five years**, to grow over time ($1 million in 2025-26, $2 million in 2026-27, $3 million in 2027-28, $4 million in 2028-29, $5 million in 2029-30)).[16]

Photo: Damiel Fazio

Rationale:

1. **Environmental impact:**
   - Enables evidence-informed decisions that enhance environmental outcomes.
   - Enhanced data transparency will promote sustainable practices and land use.
   - Contributes to mitigating climate change and improving ecosystem health.
2. **Economic benefit:**
   - Ensures that resources are allocated efficiently, maximizing return on investment.
   - Leads to cost savings for producers and new sustainable economic opportunities.
   - Enhances the competitiveness of Canadian agriculture in global markets.

16 Consider ongoing efforts by the Soil Conservation Council of Canada to develop a national soil health strategy as well as recommendations made by the Standing Senate Committee on Agriculture and Forestry in their recent report.

3. **Social and community impact:**
   - Addresses factors that contribute to mental health pressures on producers.
   - Fosters collaboration and knowledge transfer among producers.
   - Improves the capacity of producers to adopt sustainable practices, benefiting communities.
   - Strengthens community ties and collective action towards sustainability.

Photo: Eric Prouzet

C) Enhance producer resiliency and sustainable productivity **$1.215 billion over five years, followed by $87 million per year, ongoing** [AAFC]

Key Actions:

- Support pilot innovations in business risk management design and integrate climate risk management and adaptation into **Business Risk Management (BRM) programs** that are additive and incentive-based (**$615 million over five years, then $87 million per year, ongoing**).
- Integrate **Livestock Price Insurance** into AgriInsurance program (**$350 million over five years**).
- Develop **early warning sign systems** for climate-related events (e.g., drought, floods) (**$250 million over five years**).
- Review agricultural policies to realign subsidies that may be harmful to nature. *See also Subsidy reform: Aligning investments with halting and reversing biodiversity loss by 2030, later in this document.*

Rationale:

1. **Environmental impact:**
   - Promotes the adoption of best management practices that enhance environmental sustainability.
   - Helps producers prepare for and mitigate the impacts of climate-related events, reducing environmental degradation.
2. **Economic benefit:**
   - Reduces the long-term costs associated with climate-related risks and improves the financial stability of producers.
   - Supports income stabilization and reward practices that contribute to long-term economic resilience.
3. **Social and community impact:**
   - Contributes to the overall resilience and sustainability of rural communities.
   - Helps secure livelihoods for farmers, enhancing food security and community well-being.

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Photo: Zoe Schaeffer

4 SUSTAINABLE JOBS FOR WORKERS AND COMMUNITIES

The effects of climate change, global market shifts, affordability challenges, and the energy transition have caused increasingly visible impacts on Canada's workforce and economy. Now that the Canadian Sustainable Jobs Act has become law, it is time for the government to follow through with actions – investments, programs, and policies – that support workers and communities to take on good green jobs. Canada has taken positive steps by implementing the Sustainable Jobs Training Fund; announcing consultations on the Youth Climate Corps program; and attaching labour conditions and minimum apprenticeship hours to new sustainable investment tax credits.

The scale of investment must match the scale of the challenge in order to adequately equip workers and communities with the tools they need to manage the transition. It is imperative that investments that advance sustainable job creation, nature-based solutions and clean economic growth are grounded in social dialogue with workers,

Photos: left, U.X. Indo; right, Anton Daniev

decarbonization objectives, reconciliation, and equity. Investments in Budget 2025 will be crucial for securing additional support from Canadians for climate and environmental action by highlighting clear benefits and job opportunities.

Total Recommended Investment:

At least $6.5 billion over five years

The Green Budget Coalition recommends the following measures with the expectation that they would be refined through social dialogue with workers, employers, and direct government-to-government engagement with Indigenous communities.

Recommendations:

1. Youth Training and Empowerment: Budget 2024 announced consultations to develop a Youth Climate Corps that could provide paid training and apprenticeships for youth pursuing careers in climate and nature related sectors. Budget 2025 should provide a **5-year funding commitment, with at least $1 billion in the first year**, to establish the Youth Climate Corps and train 10,000-30,000 young people per year.[17] Investment in the program in subsequent years should increase as demand grows, scaling up the program and affirming that no qualified applicant would be turned away. Polling has found that the majority of adults support a Youth Climate Corps, and 15% of people under 35 (representing roughly 1.3 million people) would be interested in enrolling in two years of training through this program.[18] Canada can take inspiration from the successful American Climate Corps, which has proposed investing USD $8 billion over ten years to support 50,000 participants annually by 2031 in initiatives such as supporting public lands and waters, clean energy, urban areas, community resilience, food systems and capacity building. The program should ensure that the principles of decent work and inclusion are upheld, skills and experience gained lead to real career opportunities (e.g., jobs in the red seal trades), a living wage is provided, and opportunities are prioritized for Indigenous peoples, people of colour, people with disabilities, and others facing labour market barriers. Consultation on this program should include engagement of the Prime Minister's Youth Council, and other relevant youth councils. [ESDC, NRCan]

Photo: TFDA

2. Indigenous clean energy pathfinding: Invest **$500 million over five years** to support Indigenous communities in charting the path to clean energy, conservation, and low-carbon infrastructure. Current programs supporting Indigenous clean energy and emissions reductions projects (e.g., CIB Indigenous Equity Initiative, Strategic Partnership Initiative, Wah-ila-toos) may not offer sufficient support for holistic, community-led transition planning to determine which projects are most appropriate, assess the impacts and benefits of potential equity partnerships, and seize workforce opportunities. This funding could also support better internal government coordination across departments and programs, and improved outreach and communication between government and communities regarding available funds. There is a need to streamline information and application processes to improve access for communities and organizations. Specific funding allocations should be determined with direction from Indigenous groups. [NRCan, ISC]

17 The number of jobs created through this investment depends on the design of the program, and whether participants' salaries and benefits are paid in full by the program or are shared with employers. Costs per position could be within the range of $9,880, as in the case of the Apprenticeship Service Canada program, to $62,400, if the program pays participants' full salaries at $30/hour.

18 Abacus Data, "Canadian Public Support for a Youth Climate Corps." October 2023. https://static1.squarespace.com/static/5ffcaf2d2c7a8305e968097b/t/6553ee4beef3b21f2219167e/1699999307956/Full+poll+and+analysis+-+Youth+Climate+Corps+-+Oct+2023.pdf

3. Regional Workforce Development: To prepare the workforce for sustainable jobs in a clean economy, we recommend that the federal government deliver a **$1 billion fund over five years** to: 1) double the funding allocated for the Sustainable Jobs Training Fund and UTIP Sustainable Jobs Stream ($200 million); 2) reinstate the funding to federal-provincial Labour Market Development Agreements ($625 million); and, 3) develop a new 25% training credit to support employers in delivering on-the-job training for skills and technology required as part of the clean economy transition ($125 million). This investment has the potential to equip an estimated 250,000 workers with the skills needed for sustainable jobs in climate and nature solutions, which will be increasingly in demand in the coming years.[19, 20, 21] [ESDC, RDAs]

We recommend that these investments:

- Include conditions to ensure funded training and skills pathways are aligned with projected growth sectors in a clean economy, specific to each region;[22]
- Be leveraged to equip workers with skills for clean economy projects identified through regional economic development initiatives such as the Regional Energy and Resource Tables, with labour conditions to ensure decent work standards;
- Include measures that promote inclusion of equity-seeking groups, pursuant to the principles outlined in the Sustainable Jobs Act;[23] and
- Allocate specific funding for Indigenous-specific jobs readiness, upskilling and training programs.

19 Pembina Institute, "A Sustainable Jobs Blueprint Part II: Putting workers and communities at the centre of Canada's net-zero energy economy." https://www.pembina.org/pub/sustainable-jobs-blueprint-part-ii
20 Eco Canada, "From Recession to Recovery: Environmental Workforce Needs, Trends and Challenges." https://eco.ca/new-reports/updated-environmental-labour-outlook-to-2025/
21 LinkedIn Economic Graph, "Global Green Skills Report 2023." https://economicgraph.linkedin.com/research/global-green-skills-report
22 For a list of anticipated growth industries on the path to net-zero, see SJ Blueprint Part 2
23 Government of Canada, "An Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy." https://www.parl.ca/legisinfo/en/bill/44-1/c-50

Photo: Wocintech

Photo: Stock Snap

Photo: Jay E.

4. Continued data collection, analysis and modelling to inform sustainable jobs planning: An investment o**f $10 million over five years** is needed for regional data analysis and modelling projections that support decision makers, employers, and individuals to understand future workforce and economic scenarios and make informed decisions through the shift to a clean economy. This investment would support a working group of experts to define and classify sustainable jobs and indicators and determine a methodology for assessing sectoral, regional, and occupational impacts from different energy outlooks and climate policy scenarios. This information would be used to assess transition vulnerability impacts, provide industry growth outlooks, identify potential labour market gaps, and inform sustainable jobs policy development. Data should be disaggregated along lines of gender, age, race, and other identities to inform policies and programs that address existing inequities. Working closely with the Sustainable Jobs Secretariat, the results of this analysis would be reflected in the Sustainable Jobs Action Plans and made accessible to different audiences as part of the requirement to summarize available data used in the plan's development as per the Act. [NRCan, ESDC, StatCan]

See also Youth employment programs to build a more equitable and inclusive future for conservation, later in this document.

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5 OFFICE OF ENVIRONMENTAL JUSTICE

The Green Budget Coalition recommends funding the establishment of a permanent, high-level Office of Environmental Justice, housed at ECCC, to:

- Lead the development of a national strategy on environmental racism and environmental justice and support its implementation;
- Work with ECCC's enforcement branch to advance environmental justice through the enforcement of federal environmental laws in underserved communities;
- Develop a publicly-accessible screening and mapping tool that overlays environmental, health and socio-demographic data; and
- Develop collaborative partnerships and manage a new environmental justice community grants fund.

Total Recommended Investment:

$555 million over five years, and then $77 million per year, ongoing [ECCC]

Photos: left, Hudson Hintze; right, Levi Guzman

Background, Rationale, and Details

Too often in Canada, racialized and disadvantaged communities bear a disproportionate burden from environmental degradation and preventable environmental health hazards, such as pollution and toxic substances in consumer products. Environmental injustice exacerbates climate change impacts and other inequities that these communities experience.

The Government of Canada needs to invest in institutional capacity, as well as research and community capacity building, to ensure that environmental protection programs, policies, investments and laws account for community and population-level inequities and advance environmental justice.

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies. Fair treatment means no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental and commercial operations or policies.[24]

Source: U.S. EPA Office of Environmental Justice

A model exists in the United States. The EPA Office of Environmental Justice was established in the early 1990s. In 2021, President Biden established a White House Environmental Justice Advisory Council to "bring greater visibility to environmental justice issues across the Federal Government."[25]

We recommend Budget 2025 provide funding to establish a permanent and high-level Office of Environmental Justice in Canada, with the following focus areas.

1. National strategy
($125 million over five years, and then $25 million per year, ongoing)

The *National Strategy Respecting Environmental Racism and Environmental Justice Act* received Royal Assent on June 20, 2024. This new law requires the Minister of Environment and Climate Change to develop a strategy to advance environmental justice and assess, prevent and address environmental racism. The Minister must table the strategy in Parliament within two years, and report every five years on its implementation. The Green Budget Coalition notes that ECCC reallocated resources in 2022 to initiate work and prepare for consultations on the strategy.

Funding for the Office of Environmental Justice should include resources needed to continue community consultations, finalize the strategy and support its implementation on an ongoing basis. The Office should also support implementation of related environmental justice requirements in recent amendments to the *Canadian Environmental Protection Act* (Bill S-5), and be consulted on program design to ensure that federal

24 Environmental Protection Agency, "Learn About Environmental Justice, US EPA." https://www.epa.gov/environmentaljustice/learn-about-environmental-justice
25 The White House, "White House Environmental Justice Advisory Council." https://www.whitehouse.gov/environmentaljustice/white-house-environmental-justice-advisory-council/

climate and nature programs will benefit communities that have historically been overburdened by environmental harm.

Resources must be sufficient to enable an approach that recognizes each community's unique context and needs and distinguishes between Indigenous Nations and governments and other racialized and marginalized communities that do not hold inherent Indigenous rights and jurisdiction.

2. Environmental enforcement **($200 million over five years, and then $40 million per year, ongoing)**

Uneven enforcement of environmental protection laws contributes to environmental racism and environmental injustice. Holding polluters accountable for violations that disproportionately impact Indigenous, BIPOC, and low-income communities is an environmental justice priority. However, these communities face multiple barriers in accessing justice.

In 2022, the U.S. Department of Justice (DoJ) announced a new comprehensive environmental justice enforcement strategy and established a dedicated Office of Environmental Justice. Its mission is to protect overburdened and underserved communities from the harm caused by environmental crimes, pollution, and climate change.[26]

The Office of Environmental Justice in Canada should play a similar role. Additional resources are needed to enable ECCC's enforcement branch to prioritize and enhance investigation, compliance and enforcement activities in communities most overburdened by environmental harm. Funds received from fines, court orders and voluntary payments as a result of enforcement action should be earmarked for projects that will benefit the affected community and advance environmental justice.

26 United States Department of Justice, "Office of Environmental Justice." https://www.justice.gov/oej

Photo: Kari Magnuson

3. Screening and mapping tool
($30 million in 2025 to develop the tool, then $10 million per year, ongoing)

Canada's Anti-Racism Strategy 2019-2022 included a commitment to enhance collection of disaggregated data (i.e., data that can be broken down by meaningful categories of race and/or ethno-cultural origins). However, this information is missing from important environmental and environmental health databases and indicators, such as the National Pollutant Release Inventory, the Canadian Environmental Sustainability Indicators, Canadian Health Measures Survey, MIREC (Maternal-Infant Research on Environmental Chemicals) and ambient air quality reporting.

The U.S. EPA Office of Environmental Justice developed "EJScreen," an online mapping and screening tool that provides a nationally consistent dataset and approach for integrating environmental and sociodemographic indicators. We recommend ECCC consult on and develop a similar tool for Canada. It should include data on Indigeneity, racialization, income and other socio-demographic indicators. In addition to helping identify locations with potential environmental justice concerns and environmental health risks, this tool would enable ECCC to measure and track the effectiveness of the new strategy. Federal environmental databases and indicators should also be expanded to enable environmental justice analysis.

Photo: Hendrik Morkel

4. Collaborative partnerships and grants
(**$10 million over five years, and then $2 million per year, ongoing**, to support collaborative partnerships; and **$150 million over five years** for community grants.)

The Office of Environmental Justice in Canada will be well-placed to play a convening role, bringing together relevant federal departments and agencies, leveraging external expertise, exploring collaboration with Indigenous and provincial/territorial governments, and engaging with communities. We also recommend a new environmental justice community grants fund to be managed by the Office of Environmental Justice. The fund could be used to enable community groups to hire technical experts, participate in consultative processes, and fund local solutions (among other needs).

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This recommendation is endorsed by the Canadian Coalition for Environment and Climate Justice, the ENRICH Project, and the Black Environmental Initiative.

Complementary
RECOMMENDATIONS

Photo: Jeremy Hynes

INTEGRATING CLIMATE AND NATURE ACROSS CANADA'S FINANCIAL SYSTEMS, FISCAL POLICY, AND INTERNATIONAL FUNDING

Photo: NOAA

Sustainable finance: Aligning Canada's financial system with climate and biodiversity commitments

The global economy will suffer US$178 trillion in damages over the next fifty years if we fail to take action on climate change.[27] In Canada, the failure to address climate transition risks could lead to US$100 billion in stranded fossil fuel assets by the year 2036,[28] and by the end of this century, the cost of inaction could reach $5.5 trillion.[29] The average citizen can expect to see rising home insurance prices,[30, 31] price volatility, and increasing inflation rates due to extreme heat and weather events.[32] Adapting the economy to confront climate change will harness emerging economic opportunities in sectors like clean energy, which is projected to create 2.2 million jobs in Canada by 2050.[33] For the energy sector alone, a rapid transition to green energy could save the global economy up to $12 trillion.[34] The government alone cannot bear the full burden of providing the required funds to realize this unprecedented transition, private finance will be necessary to meet the goal and is one of the only sectors with no reduction goals in Canada.[35] Regulating the financial sector is the missing piece of Canada's climate policy.

27 Deloitte, "Deloitte research reveals inaction on climate change could cost the world's economy US$178 trillion by 2070." https://www.deloitte.com/global/en/about/press-room/deloitte-research-reveals-inaction-on-climate-change-could-cost-the-world-economy-us-dollar-178-trillion-by-2070.html

28 Gregor Semieniuk et. al., "Stranded fossil-fuel assets translate to major losses for investors in advanced economies." https://www.nature.com/articles/s41558-022-01356-y

29 Sean Cleary & Neal Willcott, "The Physical Costs of Climate Change: A Canadian Perspective." https://smith.queensu.ca/centres/isf/pdfs/ISF-Report-PhysicalCostsOfClimateChange.pdf

30 Brett Weltman, "Severe Weather in 2022 Caused $3.1 Billion in Insured Damage -- making it the 3rd Worst Year for Insured Damage in Canadian History." https://www.ibc.ca/news-insights/news/severe-weather-in-2022-caused-3-1-billion-in-insured-damage-making-it-the-3rd-worst-year-for-insured-damage-in-canadian-history

31 Kerry Gold, "Climate change is having a direct impact on home insurance rates." https://www.theglobeandmail.com/real-estate/vancouver/article-climate-change-is-having-a-direct-impact-on-home-insurance-rates/

32 Maximilian Kotz et. al., "The impact of global warming on inflation: averages, seasonality and extremes." https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2821~f008e5cb9c.en.pdf

33 Clean Energy Canada, "A net-zero 2050 can deliver 700,000 more Canadian energy jobs than exist today, but rolling back climate action would severely threaten this clean energy future." https://cleanenergycanada.org/report/a-pivotal-moment/

34 Way et al., "Empirically grounded technology forecasts and the energy transition." Joule vol.6 iss.9, September 21, 2022. https://doi.org/10.1016/j.joule.2022.08.009

35 Environment and Climate Change Canada, "2030 Emissions Reduction Plan: Canada's Next Steps to Clean Air and a Strong Economy." 2022. https://publications.gc.ca/collections/collection_2022/eccc/En4-460-2022-eng.pdf

Bill S-243, the *Climate-Aligned Finance Act* (CAFA),[36] tabled by independent Senator Rosa Galvez, was developed in collaboration with dozens of national and international experts. The Act aims to close gaps in climate policy and governance of the financial system, while strengthening clean growth and biodiversity preservation and upholding the rights of Indigenous peoples in alignment with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in Canada and everywhere federally regulated entities conduct business.

The bill would strengthen Canada's economic resilience and its ability to achieve national and international climate commitments by legislating the entire field of federal jurisdiction over financial regulation, without extending the powers and duties of federal institutions. It will do so by:

1. **Establishing a duty** for directors, officers and administrators to align entities with climate commitments;
2. **Aligning the purposes** of federally regulated entities, crown corporations[37] and the financial regulator, with climate commitments;
3. Requiring the **development of transition plans**, targets and progress reports on meeting climate commitments through annual reporting requirements and increasing and transparency by making them public and freely accessible;
4. Ensuring **climate expertise** on certain boards of directors and avoiding conflicts of interest;
5. Making **capital adequacy requirements** proportional to microprudential and macroprudential climate risks generated by financial institutions;
6. Requiring a **government action plan** to align all financial products with climate commitments; and
7. Mandating timely **public review processes** on implementation progress to ensure iterative learning.

Recommendation:

Implement a coherent legislative framework that will enable the financial sector and federally regulated entities to align their activities with Canada's international commitments and nationally legislated targets, as defined by Bill S–243 *Climate Aligned Finance Act*. [FIN, ECCC]

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36 Senate of Canada, "Bill S-243." https://www.parl.ca/DocumentViewer/en/44-1/bill/S-243/first-reading

37 Since the bill mandates alignment with climate commitments for the main crown corporations providing funding, it also addresses the problem of fossil fuel subsidies since almost none could go forward under the "planning for a fossil-fuel free future" principle and the prohibition of CCUS for the fossil fuel sector.

Photo: Andrey Popov

Canada's international climate and biodiversity finance contributions

Recommendation Summary

The collective action of the world will determine how great the impact from climate change will be and how much biodiversity we will lose before we solve the inter-related biodiversity and climate crises. In facing this challenge, nothing is more important than increasing finance flows to lower-income countries for climate action and nature conservation.

The payback from these investments could be enormous, including avoiding much harm to human well-being and nature.

Recommended Investment (with important consideration to how these funds are allocated) [GAC, ECCC]:

- **International Climate Finance: $3.5 billion in 2025–26 followed by $20 billion over five years (2026–31)**, with 40% applied to adaptation, 40% to mitigation, and 20% to loss and damage
- **International Biodiversity Finance: $1 billion per year, ongoing, from 2025–26**

Please note that a more detailed version of this recommendation is available at https://icfcanada.org/docs/GBC_Intl_Climate&Biodiversity_Finance_draft-1d.pdf.

Climate Finance

Globally, annual climate finance flows reached almost USD $1.3 trillion in 2021-22, a figure that must now increase at least five-fold to avoid the worst impacts of climate change and a doubling of economic losses due to climate change—losses that greatly exceed the finance needs.[38]

Despite the large potential for climate action in developing countries, less than 3% of the global finance mobilized in 2021-22 went to or within least developed countries, while just 15% went to or within emerging markets and developing economies excluding China.[39]

A five-fold increase in international climate finance would mean a commitment from developed countries of USD $500 billion or more annually. Canada's share, according to an analysis in 2021, is 4.153%.[40] Applying this percentage to USD $500 billion, Canada's share is CAD $28 billion annually (from public and private sources).

Scaling up from Canada's current commitment of $5.3 billion over five years will take time. The Green Budget Coalition took this into account in making its recommendation.

Priorities in Applying Climate Finance:

- Least-developed countries and vulnerable populations
- Adaptation
- Agriculture, forestry and other land use, and industry
- Indigenous people (who face severe threats to their lands and are important allies in reducing tropical deforestation and loss of other natural ecosystems)
- A higher proportion as grants vs. loans
- Climate Loss and Damage Fund: a substantial contribution is needed from Canada

Climate and biodiversity finance should not be done at the expense of other forms of development assistance but should be administered as a distinct allocation in a transparent International Assistance Envelope.

Biodiversity Finance

Target 19 of the Kunming-Montreal Global Biodiversity Framework commits Parties to provide at least USD $20 billion a year to developing countries by 2025, increasing to at least USD $30 billion a year by 2030.

To apportion responsibility, a study assessed each

38 Climate Policy Initiative. (2023) Global Landscape of Climate Finance 2023. https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

39 Ibid.

40 Colenbrander, S., Cao, Y., Pettinotti, L. and Quevedo, A. (2021) A fair share of climate finance? Apportioning responsibility for the $100 billion climate finance goal. ODI Working Paper. London: ODI (www.odi.org/en/publications/a-fair-share-of-climate-finance-apportioning-responsibility-for-the-100-billion-climate-finance-goal).

Photo: Scott Hecker

developed country's fair share based on three factors: (i) each country's historic responsibility for biodiversity depletion measured by ecological footprint[41] over the past 60 years, (ii) capacity to pay, measured by gross national income, and (iii) population.[42]

Based on a pool of 28 countries that are members of the OECD Development Assistance Committee, the report assesses Canada's share at USD $1.24 billion annually, or 6.18% of the total. The report gives a figure for Canada of 3.78% if the United States (which is not a Party to the Convention on Biological Diversity) is included. The Green Budget Coalition bases its recommendation on the latter figure.

41 Ecological footprint is measured in global hectares as fishing grounds, built-up land, cropland, grazing land, forest products, and forest carbon uptake (area of forests needed to sequester anthropogenic carbon emissions). It is trade-adjusted and corresponds to a country's consumption on its own territory, minus what it exports, plus what it imports.

42 Pettinotti, L., Cao, Y., Kamninga, T. and Colenbrander, S. (2024) A fair share of biodiversity finance? Apportioning responsibility for the $20 billion target by 2025. ODI Working Paper. London: ODI (https://odi.org/en/about/our-work/a-fair-share-of-biodiversity-finance)

Priorities in Applying Biodiversity Finance:

- **Directing funds to local organizations:** Most of Canada's biodiversity aid is multilateral. Canada could complement this by funding highly cost-effective conservation action by locally based conservation organizations who lack the capacity to obtain grants from multilateral agencies. This can be done by funding conservation charities that specialize in working with such organizations.
- **Meeting finance needs for existing protected areas:** The widespread and serious problem of "paper parks" can be addressed through contributions from Canada to finance mechanisms for public protected areas such as the Legacy Landscapes Fund and the Fondation pour les Aires Protégées et la Biodiversité de Madagascar.

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Transparent elimination of domestic public finance and subsidies for fossil fuels

Canada has introduced policies to end domestic subsidies and international public financing for fossil fuel projects. To build on this progress, Canada should publish a policy to end domestic public finance for fossil fuels, as it has committed to do most recently in Budget 2024. This policy is critical to supporting the energy transition, particularly considering that Export Development Canada and other Canadian crown corporations provided at least $7.6 billion to $13.5 billion annually to the fossil fuel sector over 2020-2022.[43] A substantial portion of public finance in recent years has supported the Trans Mountain Pipeline project.

With a strong and transparent approach, Canada can become a global leader in shifting financial flows away from fossil fuels as a key lever to support the energy transition.

Recommendations:

1. **Publish a policy to end domestic public financing for fossil fuels by fall 2024** [FIN, ECCC]
   a. Introduce a strong policy to end public financial support for fossil fuels domestically, including the full scope of financial instruments, such as loans, equity, grants, guarantees, and insurance. The policy should cover financing for all fossil fuels across their entire life cycle, including support for decarbonization. It should also include a plan to phase out existing public finance and direct government investments. A recent report has a full list of recommendations for a strong policy.[44]
   b. Direct public financial institutions (PFIs) to increase transparency by publishing transaction-level data, including company, project name, description and location, amounts disbursed, instrument type, co-investors or syndicate members, any other activities or roles undertaken by the PFI, and any performance or impact expectations (e.g., environmental, social, governance, and any sustainable development goal alignment, full life-cycle emissions for projects or projected dollars per tonne of emissions reductions).
2. **Ensure centralized and transparent reporting for all fossil fuel subsidies and public financing** [FIN, ECCC, PMO, PCO, NRCan, ISED]
   a. Publish the results of Canada's long-overdue subsidies self-review immediately, including a full inventory of all federal fossil fuel tax and non-tax subsidies and supports (such as the 128 measures identified in the inefficient fossil fuel subsidies framework), and analysis and rationale for any deemed 'efficient'. [FIN, ECCC]
   b. Create a central mechanism for transparency, accountability, and enforcement of policies to ensure they are upheld across departments. The mechanism could include a central database of departmental reports on potential fossil fuel supports and any rationale for exemptions under current policies. An enforcement body should assess information and analysis reported and ensure full enforcement of all policy conditions. [FIN, ECCC]
   c. Develop and publish guidelines for federal departments to implement the inefficient fossil fuel subsidies framework. These guidelines should advance a narrow interpretation of exemptions under the policy, ensuring no further support for 'abated' oil and gas production, including through carbon capture and storage. [FIN, NRCan, ISED, ECCC]

For related recommendations, please see also Subsidy reform: Aligning investments with halting and reversing biodiversity loss by 2030 and Sustainable finance: Aligning Canada's financial system with climate and biodiversity commitments, elsewhere in this document.

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43 Anna Geddes, Laura Cameron and Claire O'Manique, "Ending Canadian Domestic Public Finance for Fossil Fuels." 2024. https://www.iisd.org/publications/report/ending-canadian-public-financing-fossil-fuels

44 Ibid.

Canada's industrial carbon pricing system, and complementary mechanisms

Canada's industrial carbon pricing system is intended to reflect the cost of pollution, ensuring that industrial emitters pay for the costs of emissions. It provides price signals needed by industry to invest in significant decarbonization projects. Its stability and predictability is key to stimulating investment in clean technology and large scale projects, which often take years to evaluate and implement. Established in 2022, the Canada Growth Fund can complement and supplement the industrial carbon pricing system in facilitating the significant investments required to decarbonize all sectors. The fund is also meant to serve as the principal federal entity to issue Carbon Contracts for Difference (CCfDs), or carbon credit offtake agreements, to de-risk investments.

Recommendations [ECCC, FIN, NRCan]**:**

- Driving emissions reductions through strong industrial carbon pricing is smart fiscal policy, and Budget 2025 needs to commit to a fulsome assessment of the federal output–based pricing system (OBPS) and by extension, equivalent provincial systems, to ensure the long–term integrity of credit markets. This assessment is set to conclude in 2026, and should begin in 2025. Ensuring adequate demand in credit markets, and controlling for oversupply, is key to driving continuous improvements in emissions performance, but also to ensuring against undue public liability from the market guarantees inherent in CCfDs.
- Now that the Canada Growth Fund is increasing its momentum, Budget 2025 should set more aggressive targets for the Fund to deliver on its objectives and benefit the Canadian economy. Those investments are urgently needed in 2025 and beyond, and should be utilized to the greatest extent possible to help get Canada on track to achieving its 2030 climate targets, competing with the US to grow its low–carbon industry and supply chains, and supporting long–term sustainable jobs and prosperity for Canadians while ensuring returns for the fund's investors. We caution that if the OBPS review does not produce the conditions for long–term integrity of credit markets, then the possibility of a government backstop of certain CCFD liabilities of the Canada Growth Fund, as highlighted in 2024 budget, may become essential, though they may represent undue risk to taxpayers.
- To reduce public liabilities for carbon contracts and ensure industrial carbon pricing continues to drive economically efficient emission reductions in the Canadian economy, federal and provincial carbon pricing systems must make credit prices public information, and their stringency–tightening rates must predictably align with Canada's commitment to net–zero emissions by 2050. Engagement on post–2030 OBPS design should begin in late 2024, and transparent processes should be developed to monitor and make recommendations on credit market management, such as a national carbon credits exchange commission.

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Photo: Patrick Hendry

Moving towards a more circular economy by prioritizing upstream solutions, including reuse and repair

The Green Budget Coalition appreciated the commitments in Budget 2024 to a "right to repair to increase product durability and repairability" and, since fulfilled, to launching consultations in June 2024 to develop a right to repair framework, focused on durability, repairability, and interoperability.

In 2020, Canada had a circularity rate of only 6%.[45] As efforts and funding are primarily directed to recycling, priority circular economy strategies—including reuse and repair—lack financial support, especially for larger-scale reuse initiatives.[46]

Funding to support reuse initiatives are vital to successfully deploying reusable alternatives that reduce the demand for single-use items, particularly in the food and grocery sectors. While the plastics challenge launched in 2022[47] was intended to achieve this goal, its short duration and the ineligibility of not-for-profit companies are hindrances to the success of this federal funding.

Additionally, while in 2021, Canadian households spent $2,177 per year on household appliances and electronics,[48] only 19% of those surveyed had their last broken appliance repaired. A repair fund like France's, launched in 2022, would allow people with broken appliances, no longer under warranty, to obtain a discount at the time of the repair.[49]

Recommended Investments:

- **$87 million over three years, followed by $87 million per year, ongoing,** to implement a repair fund to reduce the cost of repairing electronics and appliances. [ISED, FIN]
- **$100 million over three years** to establish a reuse fund to support businesses and organizations developing reusable container and packaging solutions as alternatives to single–use plastics, **followed by $35 million per year, ongoing, until the effective implementation of reusable containers and packaging in Canada.** [ECCC, ISED]

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Photo: Bermix Studio

45 The Council of Canadian Academies, "Turning Point: The Expert Panel on the Circular Economy in Canada." 2021. https://www.cca-reports.ca/wp-content/uploads/2022/01/Turning-Point_digital.pdf
46 Jacinthe Séguin and Laurie Giroux, "What We Heard Report: Reuse Symposium and Policy Dialogue on Reuse in Canada 2022." 2023. https://plasticactioncentre.ca/wp-content/uploads/2023/03/Symposium-on-Reuse-and-Policy-Dialogue-WHAT-WE-HEARD-REPORT-January-2023-final-2.pdf
47 Government of Canada, "Plastic challenge: Advancing Reuse to Replace Single-Use Plastics." https://ised-isde.canada.ca/site/innovative-solutions-canada/en/plastics-challenge-advancing-reuse-replace-single-use-plastics
48 Statistics Canada, "Household spending, Canada, regions and provinces." https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110022201&request_locale=en
49 Équiterre, "Annex 8: Description and issues relating to France's Repair Fund." 2022. https://cms.equiterre.org/uploads/Initiatives/150_Pour-des-objets-durables-et-r%C3%A9parables/EQT_rapport_reparation_annexes_EN8.pdf.

CLIMATE ACTION THROUGH EMISSIONS REDUCTIONS

Photo: TFDA

Advancing a zero-emissions electricity grid

Achieving a net-zero emissions electricity system by 2035 is a foundational climate solution that will unlock emissions reductions and affordable energy for other sectors. Budget 2024 saw progress on the Clean Electricity Investment Tax Credit (ITC), including the addition of inter-provincial transmission projects as an eligible category, but funding for the credit was not increased. The new Indigenous Loan Guarantee Program is also a good step, but more is needed to support Indigenous leadership in clean electricity.[50]

Low-income and vulnerable people — including remote and Indigenous communities — must have affordable and equitable energy access as Canada transitions to a clean electricity grid. Siting of renewable installations on traditional Indigenous territories, and reducing reliance on diesel in Indigenous and remote communities, requires special care and attention.

Achieving net-zero electricity by 2035 and modernizing the grid will require strong collaboration among all orders of government, including Indigenous governments, as well as with utilities and system operators. Rapid market transformation necessitates immediate federal funding and clear policy signals for future support.[51]

Demand-side management (DSM) is one of the key strategies that can help address both equity and affordability concerns. Enabling utilities to decrease demand instead of increasing generation gives them more options to operate and plan the grid while making electricity more affordable for consumers. It also makes it easier to integrate more low-cost renewable electricity and storage in the grid, further increasing affordability. It uses incentives or market mechanisms to assign monetary value to the benefits that energy efficiency, demand response, and distributed energy resources offer to utilities and grid operators. Companies and consumers often get paid for participating in DSM programs which adds to their savings.

Canada is a signatory to the International Energy Agency's commitment to doubling the global average annual rate of energy efficiency improvements to over 4% by the end of this decade, but has the lowest annual energy efficiency improvements among G7 countries.[52] The Canada Electricity Advisory Council also noted in their May 2024 "Powering Canada" report[53] that Canada is lacking investment in DSM and initiatives for modernizing the grid.

The federal government could play a vital role in reducing energy demand and supporting clean electricity generation through the following investments in Budget 2025.

50 Government of Canada, "Budget 2024." https://budget.canada.ca/2024/report-rapport/toc-tdm-en.html

51 David Suzuki Foundation "Shifting Power: Zero-Emissions Electricity Across Canada by 2035." May 2022. https://davidsuzuki.org/science-learning-centre-article/shifting-power-zero-emissions-electricity-across-canada-by-2035/.

52 E3G, "G7 Power Systems Scorecard." 2024. https://www.e3g.org/g7-power-systems-canada/

53 Canada Electricity Advisory Council, "Powering Canada: A blueprint for success, Canada Electricity Advisory Council: Final report." May 2024. https://natural-resources.canada.ca/our-natural-resources/energy-sources-distribution/electricity-infrastructure/the-canada-electricity-advisory-council/powering-canada-blueprint-for-success/25863#a31

Total Recommended Investment: $32.57 billion over five years

- **Interprovincial transmission: $20 billion over five years** for strategic interregional transmission projects to support clean electricity infrastructure deployment and system reliability and to top up the existing Investment Tax Credit (ITC), consistent with the Canada Electricity Advisory Council's recommendations.[54] The ITC should be conditional on securing the support and free, informed, and prior consent of Indigenous communities. [NRCan]
- **Strategic support for Indigenous-led and community-led generation: $4.8 billion over five years** for investment in clean electricity projects and programs targeted to benefit Indigenous, low-income, and vulnerable communities, with a focus on providing communities the necessary resources to engage effectively in consultation processes. These federal investments should take the form of grants, not loans, wherever possible. [NRCan]
- **Indigenous leadership and partnerships: $800 million over five years** for programs specifically aimed at building Indigenous leadership and partnerships for clean energy deployment in remote Indigenous communities. Funding programs should be flexible and support Indigenous-led projects that reduce diesel consumption in homes and buildings through deep energy retrofits and through renewable heat and power generation. [Lead: NRCan; Involved: CIRNAC, ISC, HICC]
- **$15 million over five years** to enable the **Smart Renewables and Electrification Pathways Program** (SREP) and the **Canada Infrastructure Bank** to support projects in equity-deserving communities that will help build their capacity and increase access to the programs that would deliver social, environmental, and economic benefits. [NRCan, CIB]
- **$355 million over five years** to support provinces that have made public commitments to work toward a net-zero grid by 2035 to create plans to achieve that goal. Planning should involve consultation with provincial stakeholders and in partnership with Indigenous governments, as well as broader engagement and collaboration with regional stakeholders, such as governments, communities, regulators, utilities, and system operators in neighbouring provinces and states. [NRCan]
- **$6.5 billion over five years** allocated to DSM initiatives that reduce customer bills, enable efficient use of grid and generation resources, allow for increased use of distributed energy resources, and lead to incremental emissions reductions. [NRCan]
- **$100 million over five years** for relaunching the Smart Grid Program for grid modernization, enhancing the resilience and efficiency of the power grid. Launched in 2021, the Smart Grid Program has enabled 21 grid modernization projects across the country.[55] [NRCan]

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54 Recommendation 18, in Canada Electricity Advisory Council, "Powering Canada: A blueprint for success, Canada Electricity Advisory Council: Final report." May 2024. https://natural-resources.canada.ca/our-natural-resources/energy-sources-distribution/electricity-infrastructure/the-canada-electricity-advisory-council/powering-canada-blueprint-for-success/25863#a25b

55 NRCan, "SMART GRID Program Overview." https://natural-resources.canada.ca/sites/nrcan/files/environment/Smart%20Grig_E_2021_accessible.pdf

Windfall profits tax on oil and gas companies

Canadians are facing escalating costs of living and climate change impacts, while corporations in the fossil fuel sector are reporting record profits as they continue to feed into the climate crisis, due in part to the surge in oil and gas prices following Russia's invasion of Ukraine. These profits are therefore considered windfall profits, since they accrued to oil and gas companies without additional investments or expenditures.

Moreover, high fossil fuel prices play a leading role in the affordability crisis and have played a key role in driving recent inflation.[56] Research shows that 25% of the inflation that accrued over the 2020-2022 period is attributable to oil and gas profits.[57]

Despite profits of $33.7 billion in 2022 and over $25 billion in 2023,[58] the largest Canadian oil and gas companies continue to increase their greenhouse gas emissions, which now represent nearly a third of national emissions. They have failed to use these profits to invest in emissions reductions, instead returning profits to shareholders.[59] At the same time, the Canadian government has provided billions of dollars in subsidies and public financing to the fossil fuel sector. Since 2016, Export Development Canada has provided more than $88 billion to the oil and gas sector.[60]

In response to excessive profits in the fossil fuel sector, other countries, such as the United Kingdom (UK), have implemented a windfall profits tax on oil and gas companies. The UK collected over $1.7 billion in its first year and in 2023, the UK extended the tax to 2029 and increased the rate.[61] However, the UK tax contains loopholes that Canada should not emulate.[62] Many European Union countries have also implemented a windfall profits tax.[63]

The Parliamentary Budget Officer has estimated that a 15% windfall profits tax on just seven of Canada's oil and gas companies could generate $4.2 billion over five years that could quickly be invested in climate solutions.[64] The House of Commons Finance Committee also recently recommended that an excess profits tax be implemented.[65]

Canadians support making polluters pay their fair share. A March 2024 poll conducted by Leger reveals that the majority of Canadians support a tax on excess profits in the fossil fuel industry. Adopting a windfall profits tax is a fiscally responsible and socially equitable measure that will help mitigate the financial strain on Canadians and make polluters pay, while advancing climate action.

Recommendations [FIN]**:**

1. Implement a windfall profits tax on the excess profits of oil and gas companies, aimed at raising at least $4.2 billion over five years.
2. Allocate the revenue generated from the windfall profits tax towards initiatives aimed at alleviating the cost–of–living crisis and addressing the climate crisis.

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Photo: DSF

56 https://www.iisd.org/articles/deep-dive/fossil-fuels-drive-inflation-canada
57 https://policyalternatives.ca/newsroom/news-releases/your-inflation-dollars-may-not-be-going-where-you-think-report
58 https://www.nationalobserver.com/2024/04/16/opinion/time-oil-and-gas-industry-pay-climate-pollution
59 https://www.pembina.org/pub/oilsands-waiting-launch
60 https://www.iisd.org/articles/insight/ending-canada-support-fossil-fuels
61 https://www.bbc.com/news/uk-scotland-scotland-business-68489807
62 https://neweconomics.org/2023/11/the-windfall-tax-was-supposed-to-rein-in-fossil-fuel-profits-instead-it-has-saved-corporations-billions
63 https://www.europarl.europa.eu/RegData/etudes/STUD/2023/740076/IPOL_STU(2023)740076_EN.pdf

64 https://www.pbo-dpb.ca/en/publications/LEG-2324-011-M--applying-canada-recovery-dividend-fossil-fuel-companies--application-dividende-relance-canada-entreprises-secteur-combustibles-fossiles
65 See recommendation 9, https://www.ourcommons.ca/documentviewer/en/44-1/FINA/report-10/page-18

TRANSPORTATION

Marine shipping

The shipping industry is one of the world's largest emitters of greenhouse gases (GHGs). If it were a country, it would be the world's sixth-biggest climate polluter. Canada must take steps to address the climate impacts of marine shipping and to ensure the industry is held to account. In addition to GHG and black carbon emissions, polluting discharges, fuel spills, marine mammal strikes, and underwater noise from ships can severely impact critical habitat and Indigenous and community food security and health.

Total Recommended Investment: $135 million over five years

Accelerating zero-emission shipping:

1. **Zero-emission vessels: $20 million over two years** for R&D and sea trials to meet the target of 100% zero-emission vessels in Canadian inland waters by 2030. [TC]
2. **GHG Emission Reduction Innovation Fund: $10 million over two years** to provide advisory and capacity-building services to assist with vessel design, retrofit and testing for wind-assist, solar, electrification, autonomous technology and digitalization, and hull appendages. [TC, NRCan]
3. **Alternative fuels: $100 million over five years** to ensure alternative fuels are available at Canadian ports to ensure full decarbonization of Canadian shipping before 2050. Consideration should only be given to alternative fuels that offer significant life-cycle GHG benefits on a well-to-wake basis, including land-use change emissions. Liquified natural gas, liquified petroleum gas, and other fossil fuels should be excluded. [TC, ECCC, HICC]
4. **Marine fuel carbon pricing: $5 million over two years** to develop and implement a policy instrument to explicitly include domestic shipping in the Canadian carbon pricing system. [TC, ECCC, DFO]

Tools to generate revenue:

- **Vessel pollution control fund:** Require the collection of fees from vessels and deposit such fees in the fund to apply in the innovation programs specified above. [TC]
- **Cruise tourism fee:** Require the collection of a fee for every cruise passenger entering Canadian waters to fund an initiative, equivalent to the Indigenous Guardians Program or Alaska's Ocean Ranger Program, to monitor and enforce compliance with federal requirements pertaining to ship discharges and speed, as well as regional recommendations. [TC]
- **Insurance fund:** Establish a legally enforced insurance fund paid by the marine sector for public health and environmental impacts on local and Indigenous communities. This fund would ensure that there is proper compensation for those people amid any potential disruption or disaster. [TC]

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Double public transit ridership by 2035

Canadian transportation sector emissions have not decreased at all since 2005, and in 2022 increased more than any other sector—including oil and gas. Canada is nearly 40% below the Organization for Economic Cooperation and Development (OECD) average for public transit utilization (ridership per capita) in urban areas with transit service.[66] While Canada has zero-emissions vehicle (ZEV) adoption targets, Canada has no targets to increase public and active transportation use.

The most effective way of encouraging more people to use public transit is to ensure that service is convenient, frequent and reliable. But municipalities are not currently able to use federal transit funding to increase service levels. This hurts efforts to increase ridership and displace car travel, which is public transit's most powerful method of reducing carbon emissions.

The Investing in Canada Infrastructure Program (ICIP), which included $23.5 billion in public transit investments, did not lead to the expected results for this very reason:

- The public transit service level, measured in vehicle service kilometers per person, is now 7% lower than it was in 2016, the year that the federal government introduced it;
- There were fewer buses in service in peak periods across Canada in 2022 than there were in 2013; and
- An estimated 1,700 buses across Canada are sitting idle (as 'excess spares') when they could be in service if cities had additional operations funding.

A recent report shows that with immediate investment in the right policies, Canada can double public transit ridership by 2035 and reduce carbon emissions by 65 million tonnes. Achieving these outcomes requires expanding federal and provincial funding for public transit operations, implementing more public transit priority lanes, and establishing zero-emission bus procurement requirements. More specifically, doubling public transit ridership by 2035 requires an additional $3 billion per year on average up to 2035 for direct transit service improvements and bus fleet electrification, in addition to the existing commitment of $3 billion per year for major capital projects.[67]

Recommendations [HICC]**:**

- Ensure that funding is available from the Canada Public Transit Fund in the 2025–2026 fiscal year, instead of waiting until 2026–2027; and
- Expand the Canada Public Transit Fund to include support for public transit operations, by **$3 billion per year until 2035.**

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66 Équiterre and Environmental Defense, "Putting wheels on the bus to help public transit." 2024. https://cms.equiterre.org/uploads/Fichiers/Full-report_Putting-wheels-on-the-bus.pdf

67 Ibid.

Photo: Luke Michael

Strengthening Canada's public electric vehicle charging network

The Green Budget Coalition recommends that the Government of Canada continues to build on the public and private investments made to date in electric vehicle (EV) charging infrastructure, by funding NRCan's Zero Emission Vehicle Infrastructure Program (ZEVIP) to ensure the department has the necessary resources to build out a consistent and predictable network of charging infrastructure across the country.

ZEVIP has proven to work well and is achieving its intended results. Canada's Environment and Sustainable Development Commissioner's recent audit report highlights ZEVIP's success in increasing the availability of public charging infrastructure across Canada. ZEVIP's model of leveraging substantial private sector investment to complement NRCan's funding has been particularly effective, as highlighted in the Commissioner's report.

The ZEVIP priority of building charging infrastructure in multi-unit residential buildings, as well as non-urban areas, including rural, remote and indigenous communities, must be maintained. The Government of Canada must do more to ensure that ZEVIP is funded and can continue to provide opportunities for partners to build more EV charging stations across the country. A comprehensive and accessible public charging network is vital if Canada is going to be successful in transitioning to a zero emission on-road vehicle fleet across our country. To date, there has been an impressive deployment of battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) in Canada, with these two categories representing a record high of over 13% of new vehicle registrations in 2023.

The Government of Canada's new regulations for the Electric Vehicle Availability Standard in December 2023 are a historic achievement which will continue the EV revolution by banning the sale of gasoline and diesel powered passenger vehicles. However, the success of the ZEV mandate regulation will be contingent on an adequate supply of reliable, convenient EV charging stations across Canada. A

Photo: Joe Nomias

recent national report[68] which surveyed the charging experience of Canadian EV owners indicates there is still much work to do. The 2023 survey concludes that despite successes to date in building new charging stations across the country, EV owners' dissatisfaction with the availability of public chargers ranges from 60% in Quebec to as high as 80% in other parts of Canada.

The Green Budget Coalition is therefore recommending that Budget 2025 continues to fund NRCan's Zero Emission Vehicle Infrastructure Program to enable the building of a comprehensive and reliable EV public charging network across the country.

Recommended Investment: $325 million over three years [NRCan]

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68 Pollution Probe, "Canadian Electric Vehicle Owner Charging Experience Survey." January 2024. https://www.pollutionprobe.org/wp-content/uploads/2024/03/EV-charging-report_2023_Non-Embargoed-03-24.pdf

Updating iZEV program to accelerate decarbonizing personal transportation

The Government of Canada's new Electric Vehicle Availability Standard, adopted in December 2023, represents a historic achievement that will accelerate electric vehicle (EV) uptake throughout the country. To date, there has been an impressive deployment of battery-electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) in Canada.

However, the literature is clear that transitioning to a fully electric vehicle fleet will not be enough to reach Canada's climate targets, nor solve associated problems relating to equity, individual ownership, road infrastructure, traffic congestion, and safety. Further, Canada still has the world's highest emitting vehicle fleet. Large, fossil fuel-powered vehicles account for an ever-growing share of new vehicle sales, despite efforts to electrify cars and trucks.

To achieve significant GHG emission reductions and transform Canada's transportation system, the Green Budget Coalition recommends improving Canada's Incentives for Zero-Emission Vehicles (iZEV) Program through additional measures to reduce the size, number and use of personal vehicles by supporting active, collective and shared transportation (e.g., public transit, car sharing, and cycling). In addition to reducing GHG emissions, these initiatives will also support lower-income household transportation needs.

Recommendations [TC]**:**

1. Update the iZEV program, learning from other subsidy programs in Nova Scotia, British Columbia, and France:
    - **$250 million over two years**
        - **$75 million** to expand the iZEV program to support the purchase of 50,000 electric-assisted bikes by offering, for example, a 50% purchase subsidy for lower-income households (up to $2,000) and 20% subsidy for medium—and high—income households (up to $800).
        - **$175 million** to create a new scrappage program,[69] offering benefits such as credits towards car-sharing programs, bike rental, or use of public transit, and/or EV purchase subsidies.
    - Scale ZEV incentive based on vehicle's energy consumption.
    - Remove the cap on subsidies for car-sharing companies.
2. Ensure an equitable transition to energy-efficient transportation:
    - Make used EVs eligible for a one-time subsidy through the iZEV subsidy program, as recommended by the House of Commons Standing Committee on Environment and Sustainable Development.
    - Scale ZEV purchase incentives amount and cap eligibility based on household income (e.g., $100,000), learning from California and British Columbia.

For more detail, see the GBC's Budget 2024 recommendation Reducing carbon emissions from road transportation through electric-assisted bikes, equity and subsidy solutions.[70]

See also recommendations in this section: Double public transit ridership by 2035, Strengthening Canada's public electric vehicle charging network, and A clean commute for kids: Bridging the funding gap for school bus electrification.

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69 For more details see: Équiterre, David Suzuki Foundation, and Environmental Defence, "Achieving a Zero-Emission Future for Light-Duty Vehicles - Joint Submission." 2022. https://archives.equiterre.org/sites/fichiers/zev_consultations_eqt_dsf_ed.pdf

70 Green Budget Coalition, "Recommendations for Budget 2024". https://greenbudget.ca/wp-content/uploads/2023/11/Green-Budget-Coalition-Recommendations-for-Budget-2024-November-10-2023.pdf , page 51

A clean commute for kids: Bridging the funding gap for school bus electrification

The transition to electric school buses in Canada faces significant financial barriers. The Zero Emission Transit Fund (ZETF) was supposed to support school bus fleet electrification, but funding has not increased despite the 100% medium and heavy-duty vehicle (MHDV) sales target by 2040. The ZETF is now oversubscribed, with the vast majority of funds already allocated and its budget recently reduced by $350 million.

Electric school buses have an upfront cost of 1.5 to 2.5 times more than diesel buses,[71] necessitating federal support to reduce the total cost of ownership of ESBs to 21% less than a diesel bus (accounting for maintenance and fuel savings). The current funding shortfall threatens to delay school bus electrification, hindering greenhouse gas emissions (GHG) reductions and other benefits such as job creation and cleaner air. Without additional federal funding, operators will continue or revert to purchasing diesel buses, impeding progress in provinces reliant on federal support. To reach the 100% ESBs target by 2040, almost 3,000 diesel models will have to be replaced next year,[72] requiring $375 million in federal funding (assuming provincial matching). This added funding should be exclusively for electric school buses, as transit projects have absorbed most of the ZETF.

Additionally, the ZETF's current approval structure is time-consuming, inconsistent, and overly complex. This causes prolonged processing times and difficulties in orchestrating timely vehicle replacements, hindering the seamless incorporation of electric school buses. The complexity deters operators from applying, leading to a low number of electric school buses in many provinces. In Prince Edward Island, recent difficulties in accessing ZETF capital funding have forced the province to purchase a diesel school bus for the first time since 2020. Quebec-based transportation service providers face a different challenge, as they cannot access federal programs due to incompatibility with the province's point-of-sale rebate program.

Recommendations [HICC]**:**

- Accelerate **$375 million in funding for 2025** for school bus electrification, pending the availability of funding from the Canada Public Transit Fund.
- Reevaluate funding allocation structures to lower barriers to capital funding.
- Replace the second phase of the ZETF capital application process with a point-of-sale rebate mechanism to simplify the application process and provide more certainty to fleet operators as they build their budgets, while mitigating the incompatibility with Quebec's funding program.
- Earmark funding for Indigenous communities and other higher-needs populations, as is currently done in ZEVIP. Establish direct or automated access to the ZETF.

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Photo: Mat Hias

71 A type C electric school bus has an average price of $400,750, while a type C diesel school bus costs on average $150,000.

72 Dunsky Energy+Climate, "Pathways for Canadian Electric School Bus Adoption." 2023. https://www.equiterre.org/en/resources/pistes-de-solutions-pour-lelectrification-du-parc-dautobus-scolaires

The road ahead: Zero-emission medium and heavy-duty vehicles

Despite making up only 17% of Canada's total vehicle stock, medium- and heavy-duty vehicles (Class 3 to 8 vehicles, or MHDVs) currently account for over 37% of vehicle-related greenhouse gas emissions. While emissions from passenger cars are declining, emissions from trucks and buses are trending upwards and are expected to bypass those from passenger cars by 2030.

It is thus increasingly urgent that the federal government better address the sector's rising levels of carbon pollution, accelerating the transition to zero-emission MHDVs (ZE-MHDVs). However, there is as yet no concrete, implementable plan that outlines how this transition will take place. Modeling[73] shows that while the federal government's current suite of climate policies and programs are necessary, more action is needed to advance the transition to ZE-MHDVs at the pace required to hit the federal government's zero-emission targets.[74]

A whole-of-government effort is needed, including a sales mandate, an infrastructure roadmap for Canada's highways, and clear guidelines and regulations for vehicle manufacturers and fleet operators, plus incentives for demonstration projects.[75] The Canadian Trucking Alliance and similar organizations are advocating for an extension of the Accelerated Investment Incentive to incentivise capital investments.[76]

One particularly critical area for creating market certainty for vehicle manufacturers and building out economies of scale is: private depot charging infrastructure.

Recommended Investment [NRCan]**:**

Enhance the Zero Emission Vehicle Infrastructure Program (ZEVIP) to further support private depot charging infrastructure: $325 million over three years

To assist fleet operators with the transition and fill in the gaps with private and public funding for charging infrastructure, we recommend an increase in funding through the ZEVIP from the current **$680 million** through 2027 **to $1.05 billion.** This would further build out infrastructure to support the number of ZE-MHDVs needed to meet the target of 35% ZE sales by 2030.

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Photo: Tesla

73 https://www.pembina.org/reports/zerox2040-introduction.pdf
74 https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/emissions-reduction-2030/sector-overview.html#sector6
75 A pending Pollution Probe report highlights the need for incentives for demonstration projects. For details, contact Cedric Smith at csmith@pollutionprobe.org
76 https://cantruck.ca/pre-budget-spotlight-cta-asks-for-urgent-action-to-extend-the-accelerated-investment-incentive/

CLIMATE ADAPTATION

Photo: NOAA

Ramping up core adaptation investments to increase resiliency in the face of climate change

Recommendation Summary:

To support implementation of the National Adaptation Strategy (NAS), the Green Budget Coalition recommends scaling up federal core adaptation investments by an order of magnitude, from $6.5 billion over the past eight years to:

> **At least $65 billion over the next eight years (2025–2033)** for core adaptation programs [NRCan, HICC, ECCC, HC, CIRNAC, and other departments]

Background and Rationale

The National Adaptation Strategy, finalized in June 2023, outlines a path for improving climate change resilience in Canada across five interconnected systems: disaster resilience, health and well-being, nature and biodiversity, infrastructure, and economy and workers.[77]

Over the past eight years (2015-2023), federal investments in core adaptation—programs and initiatives designed to directly enhance adaptation—have totalled more than $6.5 billion.[78] This includes $1.6 billion in new funding announced in November 2022 when the draft NAS was published, which was described at the time as a "down-payment".[79]

However, as noted in the Canadian Climate Institute's 2022 independent assessment of the draft NAS and $1.6 billion down-payment, "The scale of new action and investment proposed in the Action Plan is inadequate to address the growing national adaptation shortfall."[80] While some additional funding has been announced since, funding for the NAS remains insufficient, and could be reduced if sunsetting programs supporting adaptation are not renewed in Budget 2025.[81]

Meanwhile, a 2020 analysis by the Insurance Bureau of Canada and the Federation of Canadian Municipalities, which focused on the cost of local-level actions for public infrastructure needs alone,

77 Government of Canada, "National Adaptation Strategy." https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/national-adaptation-strategy/full-strategy.html#toc20

78 Government of Canada, "Funding climate change adaptation." https://www.canada.ca/en/environment-climate-change/news/2023/06/funding-climate-change-adaptation.html; "Backgrounder: Update on Federal Climate Change Adaptation Actions." https://www.canada.ca/en/environment-climate-change/news/2024/06/backgrounder-update-on-federal-climate-change-adaptation-actions.html

79 Government of Canada, "Canada's National Adaptation Strategy will protect communities and build a strong economy." https://www.canada.ca/en/environment-climate-change/news/2022/11/canadas-national-adaptation-strategy-will-protect-communities-and-build-a-strong-economy.html

80 Canadian Climate Institute, "Toward a safer and more resilient Canada." https://climateinstitute.ca/wp-content/uploads/2022/12/Toward-a-safer-and-more-resilient-canada.pdf

81 Insurance Bureau of Canada, "Severe weather took a toll on homes, businesses and vehicles in Alberta in 2023." https://www.ibc.ca/news-insights/news/severe-weather-took-a-toll-on-homes-businesses-and-vehicles-in-alberta-in-2023

Photo: William Bossen

estimated that "an annual investment in municipal infrastructure and local adaptation of $5.3 billion is needed to adapt to climate change."[82]

Scaling Up Investments to Date and Addressing Gaps

Existing programs and initiatives, such as those identified in the ECCC Backgrounder, Funding climate change adaptation (June 2023), can be rapidly expanded and/or scaled up.[83] Priorities identified by Climate Proof Canada include:[84]

- Expanding the Greener Homes Initiative and Greener Neighbourhoods Pilot Program to integrate resilience objectives, support deep retrofits and accelerate decarbonization;
- Delivering surge funding to the Disaster Mitigation and Adaptation Fund (DMAF);[85]
- Supporting Indigenous Climate Resilience for First Nations, the Métis Nation and Inuit Peoples;* and
- Expanding the HealthADAPT program in order to help the health sector prepare for and respond to climate impacts.

Additional priorities for new core adaptation investments to address gaps in current funding streams include:

- An affordable National Flood Insurance Program to protect households;
- Targeted programs for people with health conditions and disabilities, racialized communities, older people, and other marginalized and underserved populations particularly vulnerable to climate change;
- Resources to advance equity and climate and environmental justice (a guiding principle of the NAS) across all core adaptation investments;

82 Insurance Bureau of Canada, "Investing in Canada's Future: The Cost of Climate Adaptation at the Local Level." https://data.fcm.ca/documents/reports/investing-in-canadas-future-the-cost-of-climate-adaptation.pdf

83 A full list of federal adaptation actions can be found in Annex 3 of the Government of Canada Adaptation Action Plan, including both core adaptation investments and other programs. https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/climate-plan/national-adaptation-strategy/23062.07%20-%20Government%20of%20Canada%20Adaptation%20Action%20Plan%20GOCAAP-EN_V02.pdf

84 Climate Proof Canada, "National Climate Adaptation Summit Day Recommendations." 2023. https://www.climateproof.ca/s/National-Climate-Change-Adaptation-Summit-Recommendations.pdf

85 A priority for DMAF top-up funding is supporting emergency planning and disaster recovery in equity-deserving and low-income communities.

- Integrating measures to promote adaptation of forests, grasslands, wetlands and aquatic ecosystems in restoration and protection plans;
- Addressing flooding and erosion at a watershed scale that goes beyond municipal and/or jurisdictional boundaries with a focus on natural infrastructure solutions, and including regional collaboration of watershed health monitoring, and assessment of hydrology to manage flow regimes during periods of sporadic precipitation; and
- Targeted support for local governments to access predictive tools such as flood maps, and disaster-mitigation funding.

Important Complementary Actions

Effective coordination and engagement mechanisms will be essential to the success of Canada's NAS and also require resourcing.

All federal infrastructure funding programs need to be brought into alignment with the NAS. Housing, Infrastructure and Communities Canada's updated climate lens should be rigorously applied to all federal infrastructure investments. There is also a need to improve coordination and coherence among federal programs for disaster risk reduction/response and climate adaptation, as recommended in 2022 by the Expert Advisory Panel on the Disaster Financial Assistance Arrangements (DFAA). Strategically targeting DFAA funding to prioritize climate adaptation will help increase disaster resilience.[86]

In addition to core adaptation investments, funding for disaster response and recovery and other programs that include adaptation as a secondary outcome will continue to be important.

See also recommendations for additional investments in the following adaptation-relevant programs, detailed elsewhere in this document: earlier, in Delivering on Nature Commitments; and later, in the more detailed nature section: Aquatic Ecosystem Restoration Fund; Habitat Infrastructure Renewal Fund; and Indigenous-led conservation in Enhanced Nature Legacy Renewal.

** The Green Budget Coalition supports the request of the Métis Nation for emergency management funding.*

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86 Public Safety Canada, "Building Forward Together: Toward a more resilient Canada." https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/dfaa-aafcc-xprt-dvsr-pnl-2022

Photo: Wade Ellis

DELIVERING ON NATURE COMMITMENTS — DETAILED AND COMPLEMENTARY RECOMMENDATIONS

Introduction

This section provides more detailed recommendations on delivering on Canada's nature commitments, starting with select elements in the earlier feature recommendation, Delivering on Nature Commitments, plus further complementary recommendations.

Photos: top, Alain Audet; bottom, Etienne Riverin

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DELIVERING ON NATURE COMMITMENTS FEATURE RECOMMENDATION — MORE DETAILS ON SELECT ELEMENTS

Renewing and Building on the Enhanced Nature Legacy and Marine Conservation Targets Programs

Prioritizing support for Indigenous-led conservation in Enhanced Nature Legacy renewal

Enormous progress has been made in recognizing and supporting Indigenous leadership in conservation in recent years and federal investments have been critical to this work. Implementing Canada's commitment to effectively protect at least 30% of land and ocean by 2030 hinges on recognition by Crown governments of Indigenous jurisdiction and title, and effective co-governance and co-management of protected land and ocean with Indigenous governments, through cooperative federalism. Doing this work in a good way takes time, and while the Nature Legacy and Enhanced Nature Legacy investments have been critical to lay a strong foundation for success, renewed and long-term investment is now needed to complete protection and ensure effective stewardship of the many areas identified for protection by Indigenous governments.

Photo: GTS Productions

In addition to environmental and social benefits, there is strong evidence that investing in protected areas can generate a significant return on investment and help build resilient, diversified local economies, particularly in rural and remote communities.

Recommendation:

A renewed Enhanced Nature Legacy investment should prioritize long-term support for Indigenous-led conservation initiatives (Indigenous Protected and Conserved Areas and Guardian programs), encourage action by provinces and territories, and support NGOs to help deliver on Canada's land protection commitment. (Targets 1, 3, 4, 22) [ECCC, PC, HICC]

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Renewing Canada's Marine Conservation Targets (MCT) funding

DFO has been leading collaboration with Parks Canada and the Canadian Wildlife Service to develop Canada's ocean conservation system, that includes Oceans Act MPAs, National Marine Conservation Areas and marine National Wildlife Areas, as well as Marine Refuges. TC, NRCan, and CIRNAC are partners in this work.

Previous investments in MCT has led to the protection of over 14% of Canada's ocean territory in marine protected areas and marine refuges, with planning underway to establish a number of other protected areas in collaboration with Indigenous peoples, stakeholders and other governments.

MPA planning is an integrated and inclusive process that requires considerable investment to ensure effective stakeholder engagement, science support, capacity building, engagement of partner organizations (including other federal agencies, Indigenous, provincial and territorial governments), and new governance arrangements. This investment is critical to ensuring that Canada will meet its target of protecting at least 30% of its ocean territory by 2030, as committed to under Target 3 of the 2030 Nature Strategy.

Recommended Investment: $1 billion over five years, then $200 million per year, ongoing [DFO, ECCC, PC, NRCan, TC, CIRNAC]

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Photo: Jonny Caspari

Establishing and managing promised new National Parks, National Marine Conservation Areas and National Urban Parks

A new approach to funding the establishment and management of new Parks Canada protected areas is urgently needed to deliver on the federal government's signature commitment to create 10 new national parks, 14 national marine conservation areas (NMCAs), and 15 national urban parks by 2030, in partnership with Indigenous Nations.[87] This commitment is the biggest single opportunity the federal government has to contribute directly to protecting 30% of land and ocean by 2030, in partnership with Indigenous governments.

While funding has been allocated to advance park proposals through the feasibility phase, funding to establish and manage these parks with Indigenous partners once negotiations are complete is not confirmed. Currently, Parks Canada must go back to central agencies to seek establishment and management funding every time they complete negotiations for a new park or conservation area with Indigenous and provincial/territorial governments. This is not only inefficient, it also leads to delays in establishing these areas, putting at risk relationships built over many years with Indigenous governments and other partners.

Canada's national parks have been a source of pride for Canadians and a top symbol of national identity for almost 140 years. Parks Canada's protected areas system serves a critical role in protecting nature, providing clean air and water to Canadians, and supporting Canadians' health and well-being by providing opportunities for respite from busy, urban lives. Establishing and stewarding these areas in partnership with Indigenous governments contributes to reconciliation, self determination, and resilient local economies, particularly in rural and remote communities. For example, a recent government study showed that in 2022-23 every dollar spent by Parks Canada resulted in a 4.2 dollar contribution to Canada's GDP, and that Parks Canada and resultant visitor spending supported 38,000 full time equivalent jobs across Canada.[88]

Earmarking dedicated funding now that Parks Canada can access on an "as needed" basis when feasibility studies for new parks are completed would assure potential partners that the federal government is negotiating in good faith, encourage provinces and territories to get on board, and speed up delivery on this commitment so that these protected areas can contribute to Canada's flagship 30% by 2030 land and ocean protection commitments.

Recommended Investment:

$675 million over five years and then $400 million per year ongoing to establish and manage the promised 10 new national parks, 14 new NMCAs, and 15 new National Urban Parks, in partnership with Indigenous Nations. (Targets 3, 12, 22) [PC]

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Photo: Brigachtal

87 This commitment is included in the Ministerial mandate letters and reinforced in Canada's 2030 Nature Strategy: Halting and Reversing Biodiversity Loss in Canada - Canada.ca

88 Parks Canada. Economic impact of Parks Canada, 2022 to 2023. https://parks.canada.ca/agence-agency/bib-lib/rapports-reports/impact-economique-economic-impact/impact-economique-2022-2023-economic-impact

Ecological connectivity: Renewal of Parks Canada's Ecological Corridors program

Ecological connectivity is vitally important to ensuring effective protected area networks that conserve nature. It is also critical to tackle the top threats to biodiversity: habitat loss, habitat fragmentation, and climate change.

Canada's Nature Strategy, alongside several goals and targets of the Kunming-Montréal Global Biodiversity Framework (Goal A, Targets 1,2,3,12,14), emphasize that ecological connectivity is fundamental to high-functioning ecosystems and healthy species populations.

Through an initial investment from Enhanced Nature Legacy, Parks Canada has developed a successful National Ecological Corridors program that has identified national priority areas for action, and supported Indigenous partners, other jurisdictions, and NGOs in implementing on-the-ground connectivity initiatives. Renewing and expanding this support is vital to build on and increase this important work.

Recommendation:

Renewal of the Enhanced Nature Legacy program should include extending Parks Canada's National Program for Ecological Corridors to 2030 or beyond (**$120 million over five years**) [PC, ECCC].

See also Ecological connectivity: Nationwide fund and wildlife crossings pilot program, later in this document.

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Photo: Ryan Noeker

Natural Heritage Conservation Program (NHCP) renewal and expansion

Since 2007, the Natural Heritage Conservation Program (NHCP) has delivered over 1,600 projects to protect and conserve more than 800,000 hectares of secured habitat, supporting local economies in 350 municipalities from coast to coast to coast.

Federal investment kick-starts critical partnerships and attracts private capital and funding from corporations, industry, foundations, individual Canadians, and other levels of government to support newly protected and conserved areas, including capacity building and technical support for Indigenous-led conservation projects. Through the NHCP, partners have invested more than $1 billion of matched funding in conservation projects, leveraging funds from the Government of Canada to create more than $1.5 billion in conservation investment since 2007.

The NHCP is projected to run out of funds before March 2026.

A renewed and enhanced NHCP partnership will further its value and conservation actions by:

- Delivering more **than $1.56 billion in additional conservation outcomes by 2030**;
- Supporting NHCP partners in their commitment to deliver **500,000 hectares** of new protected and conserved areas;
- Advancing area-based biodiversity outcomes beyond hectares;
- Expanding impact measure reporting to highlight and celebrate the benefits of land conservation for people and nature;
- Increasing and strengthening relationships with Indigenous Peoples with demonstrable outcomes that support (re)connections to land-based practices.
- Ensuring durable conservation outcomes via priority restoration, stewardship and maintenance activities, invasive species control and visitor management; and
- Advancing science, data, and knowledge to support evidence-based policy and land-use decisions.

Recommended Investment:

$595 million over five years (an additional $95 million in 2025–26 and then $125 million per year for four years through 2029–30). All funding will be matched 1:1.5 by program partners. [ECCC]

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Photo: J.P. Lenio

Advancing Other Key Elements of Canada's 2030 Nature Strategy

Marine spatial planning (MSP)

Halting and reversing the serious declines in ocean biodiversity and providing certainty among economic sectors dependent on the ocean, will require investments in the establishment of marine protected areas and the development of marine spatial plans.

It is no coincidence that the commitment to develop participatory, integrated and biodiversity inclusive spatial plans is the focus of the first target of the Global Biodiversity framework. MSP can provide foundational support to meeting the GBFs other targets in the marine environment, both with regards to halting and reversing biodiversity loss and ensuring the equitable sharing of the benefits and services that healthy ecosystems provide.

For MSP to be successful requires the investment of adequate funding, as well as setting objectives that are aligned with the goals of the GBF to provide decision makers with clear guidance on setting priorities and making trade-offs. Alignment of MSP with the GBF means that the development of conservation area networks must be the first priority in any spatial planning initiatives, as a healthy ocean is the very foundation of a thriving blue economy.

Marine spatial planning is an inclusive, comprehensive, and strategic approach to the use and management of ocean space and marine resources while protecting ecosystems, ensuring sustainability, and reducing overlap and conflicts between uses. MSP optimizes societal benefits from human activities while at the same time providing long-term protection of nature. MSP is a process that is being used by countries around the world.[89]

MSP requires new governance arrangements that bring together various levels of government, including Indigenous governments, and the variety of stakeholders with an interest in the ocean region. The success of MSP hinges on a participatory approach and comprehensive governance. New governance arrangements, particularly with Indigenous peoples, is a critical component of successful MSP, and will require capacity support and ongoing funding. Building relationships and ensuring effective Indigenous and stakeholder engagement requires funding certainty that cannot be met with short term budget commitments.

The Government of Canada is currently proceeding with MSP in five regions, including: Southern BC; Newfoundland and Labrador Shelves; Estuary and Gulf of Saint Lawrence; Scotian Shelf and Bay of Fundy; and the Pacific North Coast.[90] First generation plans or frameworks for the five regions are to be completed in 2024, but ongoing funding is required to continue collaborative processes, and support implementation and consultation in the development of full marine spatial plans, and to begin MSP in Canada's remaining eight regions.

The original investment for MSP was made in 2018 with a one-year extension in 2023.

Recommended Investment:

$75 million over five years, then $15 million per year, ongoing [DFO, ECCC, PC, NRCan, TC]

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89 UNESCO-IOC/European Commission. 2021. MSP Global International Guide on Marine/Maritime Spatial Planning. Paris, UNESCO. (IOC Manuals and Guides no 89). https://unesdoc.unesco.org/ark:/48223/pf0000379196

90 Fisheries and Oceans Canada. "Marine Spatial Planning",- https://www.dfo-mpo.gc.ca/oceans/planning-planification/index-eng.html

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, federal-land 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 land-based 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/blm-announces-18-million-enhance-native-seed-supply-climate-resilience-0

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.

$200 million over six years [DFO]

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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Photo: Pete Nuij

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?	Is 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.

Subsidy reform: Aligning investments with halting and reversing biodiversity loss by 2030 (Target 18)

Canada's new 2030 Nature Strategy includes a commitment to *"identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them… by 2030…"*. This commitment, consistent with Target 18 of the Kunming-Montreal Global Biodiversity Framework, offers a tremendous opportunity to catalyze a nature-positive economy in Canada.[92]

Current spending on practices that degrade nature far exceeds spending on practices that can conserve and restore it. Action is urgently needed to identify environmentally harmful subsidies (EHS) in Canada[93] and to pursue innovations in federal subsidy and tax reform, budgeting and policymaking to improve coherence between economic and environmental policies, and reorient the flow of public capital to catalyze new nature-positive economic opportunities.

The Green Budget Coalition welcomes and supports the government's commitment to compile an inventory of incentives that may have an impact on biodiversity by mid-2025, and, by 2030, to develop and implement a plan that substantially reduces the value of incentives and subsidies with harmful impacts on biodiversity.

Recommendation:

The 2025 federal budget should explicitly commit to develop a systematic, cross-departmental implementation plan in 2025, and to eliminate, phase out or reform at least $10 billion in harmful subsidies by 2030 (Canada's share, by percentage of global GDP, of the GBF commitment to reduce subsidies by $500 billion). (Target 18). [FIN, ECCC, DFO, AAFC, NRCan]

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Photo: Robert Kowski

92 Target 18 of the Kunming-Montreal Global Biodiversity Framework requires governments to "identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity[…]." This target is complemented by several other agreements to which Canada is a signatory. Under the G7 2030 Nature Compact (June 2021), governments committed to "lead by example by reviewing relevant domestic policies as soon as possible and […] take action as appropriate to develop replacements that are nature positive"; the Leaders' Pledge for Nature (September 2020) commits signatories to "eliminate or repurpose subsidies and other incentives that are harmful to nature, biodiversity and climate while increasing significantly the incentives with positive or neutral impact for biodiversity across all productive sectors".

93 Subsidies are fiscal policy tools used by governments that aim to benefit a specific population or sector through production support, income support, or reduced costs of inputs. Subsidies deemed harmful to biodiversity are those that induce production or consumption activities that exacerbate biodiversity loss, particularly important within the agriculture, fisheries, and forestry sectors. For more detail on approaches to defining subsidies that are harmful to biodiversity see Deutz et al. "Financing Nature: Closing the global and Matthews and Karousakis." 2022. https://doi.org/10.1787/3e9118d3-en

Nature Advisory Committee

Bill C-73, the proposed Nature Accountability Act, will legislate a new nature advisory committee to provide the Minister of Environment and Climate Change with advice related to meeting the targets and goals of the Kunming-Montreal Global Biodiversity Framework.

This committee could be a key means of holding Canada to account for meeting its nature targets, but it must have sufficient support to do so. In addition to expert members with the time and capacity to meaningfully engage, two things will be crucial to the effective functioning of this committee: a strong secretariat and a sufficient budget.

Recommendations:

- **$15 million over five years** to support the new Nature Advisory Committee, including to compensate members, commission independent expertise and engage Indigenous peoples, the public and stakeholders. [ECCC]
- Appoint a secretariat with strong coordination skills as well as relevant scientific, Indigenous and policy knowledge and expertise. [ECCC]

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Photo: B. Sonia

COMPLEMENTARY RECOMMENDATIONS TO DELIVER ON CANADA'S 2030 NATURE STRATEGY

Photo: Georg Wietschorke

Reducing Threats to Biodiversity – Targets 1–8

Comprehensive geospatial inventories (Targets 1, 2, 3, 4, 8, 10, 21)

Recommended Investment:

$300 million over five years to support a comprehensive audit to catalog, update, and develop national geospatial inventories to support evidence–informed decision making regarding environmental protection, rehabilitation, and enhancement. [ECCC, StatCan, DFO, NRCan, AAFC]

Key Actions:

- In collaboration with subnational governments, Indigenous communities, non-governmental organizations, and other federal departments, conduct and complete comprehensive audits of existing datasets to assess the quality, accuracy, and completeness of current geospatial datasets.
- Develop, update, and complete national geospatial inventories such as the Canadian National Wetland Inventory, the National Grasslands Inventory, Terrestrial and Aquatic Species at Risk Inventories, National Forest Inventory, and National Invasive Species Inventory.

Rationale:

- **Environmental impact**
  - Supports evidence-informed decision-making.
  - Protects, rehabilitates, enhances, and sustains ecosystems.
  - Facilitates accurate valuation, conservation, and restoration of biodiversity and ecosystem services.
- **Economic benefit**
  - Informs nature-based climate solutions, potentially reducing climate related costs.
  - Improves data leading to more efficient use of resources and funding in conservation efforts.
  - Improves land use planning and decision-making.
  - Drives innovation and job creation in the technology and environmental sectors, contributing to economic growth and resilience.
- **Social and community impact**
  - Enhances collaboration with Indigenous communities, promotes cultural and ecological benefits.
  - Supports community planning and resilience efforts.

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Establish a new Habitat Infrastructure Renewal Fund

Canada was one of the first countries in the world to introduce national initiatives for nature conservation by government and non-profit organizations. This history of conservation has led to legacy conservation projects developed in partnership between government and non-profits. Many of these projects have involved conservation infrastructure. While the federal government has made significant investments in infrastructure renewal for Parks Canada and the Canadian Wildlife Service, only modest funding has been made available to non-profit conservation organizations which share the same history of intervention on the landscape to secure conservation gains. The Green Budget Coalition recommends the creation of a fund that would help not-for-profit conservancies who have made interventions on the landscape to advance ecological outcomes and protect natural spaces to reinvest in the conservation infrastructure that has made these gains for nature possible.

Recommended Investment:
$150 million over four years [ECCC, PC]

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Establishing an endowment fund (The Canada Conservation Investment Fund) to strengthen the private land conservation sector

Across the country, local and regional land trusts protect hundreds of thousands of hectares of the most endangered landscapes, particularly in southern Canada where nature loss is most acute. Establishing a Canada Conservation Endowment Fund program will provide the necessary infrastructure and funding for land trusts to support a growing sector, diversity, capacity, job creation and retention, land stewardship, and expansion of Canada's private land conservation programs. Federal funding to expand protected areas is critical to nature conservation, and to uphold the designation of "permanent" protection, perpetual stewardship is imperative.

A Canada Conservation Investment Fund will help ensure the long-term care of Canada's network of privately conserved areas. The structure of the Fund could be modelled on the successful Canada Cultural Investment Fund.

Recommended Investment:

$150 million over ten years for an endowment fund that will create a long–term funding stream to strengthen the capacity of local and regional land trusts to care for natural spaces in perpetuity. [ECCC]

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Photo: Roger Chapman

Ecological connectivity: Nationwide fund and wildlife crossings pilot program

This recommendation complements and strengthens the earlier recommendation for Ecological connectivity: Renewal of Parks Canada's Ecological Corridors program.

Ecological connectivity is fundamental to tackling the top threats to biodiversity: habitat loss and fragmentation, and climate change. Federal investment is needed for a nation-wide connectivity fund to support work by Crown and Indigenous governments, NGOs, and private entities to conserve areas identified as important for ecological connectivity and to create effective mitigation measures to improve connectivity of fragmented landscapes.

The Green Budget Coalition also recommends establishing a pilot federal wildlife crossings Program. Taking guidance from the successful US Wildlife Crossing Program model,[94] the pilot program would fund provincial and federal wildlife crossings projects in critical regional wildlife linkage areas with high wildlife-vehicle collisions and would: protect biodiversity by maintaining wildlife-movement routes; address climate change as species' ranges shift; move people and wildlife more safely across roads; increase the efficiency of transportation; stimulate local economies; and create jobs. The pilot could be delivered under Canada's Natural Infrastructure Fund, if the Fund were expanded to include wildlife crossing structures.

Recommended Investment:

$500 million over five years for a nationwide connectivity fund, and a federal wildlife crossing pilot program [ECCC, PC, HICC]

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94 United States Department of Transportation, "Wildlife Crossings Program." https://highways.dot.gov/federal-lands/wildlife-crossings

Photo: Parks Canada

Halting and reversing losses of Canada's bird populations (Targets 2, 3, 4, 10, 21)

Ecosystems in Canada and throughout much of the Americas depend on the ecological services provided by the billions of birds born in Canada annually, including seed dispersal, nutrient cycling, pest management and more. We cannot afford to allow our bird populations to decline further due to human actions. In this budget, the Green Budget Coalition urges the federal government to make a meaningful investment in birds by funding efforts to reduce human-caused risks to birds and improve their habitats. Specifically, there is a need for investments that help birds survive and thrive in urban landscapes, agricultural landscapes and in the vast working forests. Investments are needed to halt losses and recover populations of the most threatened groups of species, the aerial insectivores, grassland birds and shorebirds.

The third State of Canada's Birds report will be published in 2024. Funding to support the science and monitoring programs on which the state of the bird reporting is based is essential to inform conservation and management decisions.

The Green Budget Coalition is calling for strategic investments to halt and reverse bird population declines through the following investments:

Total Recommended Investment:

$30 million over four years [ECCC – Canadian Wildlife Service] to:

1. Mitigate human–related bird mortality in urban and working landscapes (agricultural and forestry) in Canada. This investment is intended to support programs and activities that directly address major human–related causes of direct and indirect bird mortality (e.g., destruction of habitat, pesticide use, collisions with human–built structures) and incentivize actions to restore nature. **$12 million over four years**
2. Protect and restore key habitats and areas for grassland birds, aerial insectivores and shorebirds. Develop and implement an action plan to identify, prioritize, and protect critical areas for these three groups of species. **$12 million over four years**
3. Maintain strong science programs to inform conservation efforts. **$6 million over four years**

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Photo: Zdenek Machacek

Invasive species – Controlling their economic, social, and environmental impacts (Target 6)

Recommended Investment:

$250 million over five years to effectively manage and mitigate the catastrophic economic, social, and environmental impacts of invasive species in Canada. [ECCC, AAFC, DFO, CFIA, NRCan, PS, HC]

The impacts of invasive species on native ecosystems, habitats, and species is catastrophic and often irreversible. In Canada, invasive species are frequently and increasingly identified as a top threat to species at risk[95] and economic impacts result in billions of annual losses. In the early 1960s, invasive species cost North America USD $2 billion per year, which has increased to over USD $26 billion per year since 2010.[96] Significant impacts to the agriculture, forestry, fisheries, and tourism sectors are experienced, with the Canadian agriculture sector alone estimating a $2.2 billion annual economic impact from invasive plants.[97]

Key Actions:

- **Prevent new invasive species** by identifying key pathways for the introduction and provide education, resources, and training. [ECCC, PS, CFIA, AAFC]
- Develop, implement, and monitor a **National Framework for Early Detection and Rapid Response** to ensure effective and early response to new and emerging invasive species. [CFIA, AAFC, ECCC, DFO, NRCan, HC]
- Enable and support **cross-sectoral partnerships** in planning, control, monitoring, and reporting to restore and improve habitats. [ECCC, DFO, AAFC, CFIA, NRCan, PS]
- Ensure access to, and encourage the use of, **strong science to inform management** and provide **transparent reporting** to evaluate effectiveness of programs and policies. [ECCC, DFO]

Rationale:

- **Environmental impact**
  - Invasive species are one of the direct drivers of biodiversity loss causing irreversible damage to native ecosystems and habitats.
  - Effective management of invasive species will restore and improve habitats, ensuring healthier ecosystems.
- **Economic benefit**
  - Significant economic impacts are seen in agriculture, forestry, fisheries, and tourism. Addressing invasive species can mitigate losses to Canada's GDP.
- **Social and community impact**
  - Supports community wellbeing, fostering stronger local involvement and stewardship.
  - Increases public awareness and participation in preventing and managing invasive species through education and training initiatives.
  - Enhances cultural and ecological resilience of peoples and communities.

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95 Woo-Durand et al. "Increasing importance of climate change and other threats to at-risk species in Canada." 2020. https://cdnsciencepub.com/doi/pdf/10.1139/er-2020-0032?download=true

96 Crystal-Ornela, R. et al. "Economic costs of biological invasions within North America." 2021. https://neobiota.pensoft.net/article/58038/

97 Canadian Food Inspection Agency, "Invasive plants in Canada." https://inspection.canada.ca/en/plant-health/invasive-species/invasive-plants

Reducing Pollution — Target 7

Combatting plastic pollution in Canada and the world (Target 7)

The Green Budget Coalition maintains that the impacts of plastic production and pollution on the triple crises of climate change, nature loss and pollution are a catastrophe in the making.

With the final Intergovernmental Negotiating Committee session (INC-5) for a new Global Treaty on Plastic Pollution occurring in late 2024, it is expected that the new Treaty will be presented in 2025. Canada must be ready to act to support its implementation globally and at home.

Canada's 2030 Nature Strategy paves the way to support the new Treaty by positioning pollution as "one of the five largest direct drivers of global biodiversity loss."

There are known to be over 13,000 chemicals used in plastics and plastic production. Many of these chemicals have not been assessed for their safety.[98] Domestic action should build on the long-standing expertise of the Chemicals Management Plan team, led by ECCC and HC, in order to ensure a comprehensive and consistent path in addressing the chemicals used in the production of plastics contributing to the impacts from plastic pollution. This would also ensure that no new plastic substances or their alternatives are introduced into the Canadian marketplace without undergoing ecological and health risk assessments, and the implementation of management measures are in place to avoid the impacts associated with plastic pollution. Addressing the unnecessary proliferation of plastics in our environment will also help Canada achieve its climate goals.

The federal government should continue its global leadership in negotiating the new Global Treaty on Plastic Pollution and be prepared in 2025 to contribute financially to its implementation globally while accelerating plastic pollution work domestically.

98 UN Environment Programme, "Chemicals in Plastics - A Technical Report." 2023. https://www.unep.org/resources/report/chemicals-plastics-technical-report

Photo: Naja Jensen

Recommended Investment:

$1 billion over three years to support global implementation and domestic action on the Global Treaty on Plastic Pollution that would include:

- Contributing to the implementation of the Global Plastic Treaty [ECCC, GAC];
- Establishing specific funding for Civil Society Organizations (CSOs) in the global south to access technical expertise, develop innovative solutions and engage the public [ECCC, GAC];
- Establishing specific funding for Indigenous Rights Holders to access technical expertise on implementation of the new treaty [ECCC];
- Accelerating domestic work to address the lifecycle of plastics from production to waste management, with a specific focus on chemicals used in plastic production (including toxic additives), reduce plastic pollution, prevent problematic plastic products and, proactively eliminate harmful chemicals for use in manufacturing [ECCC, HC];
- Reducing plastic pollution with specific targets in shipping, ghost fishing gear, and aquaculture [ECCC, DFO, TC]; and
- Increasing funds to enforce regulations on export of hazardous waste. [ECCC, CBSA]
- Budget breakdown will be available at a later date.

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Photo: John Cameron

Underwater noise pollution (Target 7)

Sound is the most effective means for marine life to sense their surroundings and communicate across the ocean's vast expanse. Impulsive noise, including seismic activity, sonar and pile driving, can result in temporary or permanent damage to aquatic species at risk. Continuous radiated noise, primarily generated by shipping traffic and tourism, leads to acoustic masking and reduces aquatic species' ability to communicate, sense danger, forage, and mate. Underwater noise also compromises the ability of cetaceans, especially those already at-risk, to perceive their environment and is considered a principal threat to the recovery of two priority species (Southern Resident Killer Whales and St. Lawrence Estuary Belugas) in Canada's Whales Initiative, and a significant stressor for the third (Narwhal).

Recommended Investment:

- **$200 million over five years** to fund a comprehensive Ocean Noise Strategy to identify and implement regional, science–based underwater noise targets for key Canadian ecosystems, including the Salish Sea, Saguenay–St. Lawrence, and the Eastern Arctic;
- Develop and establish regional noise management frameworks to achieve those targets; and
- Begin implementation of the management frameworks, including integration into other government programs. [DFO, TC]

To ensure meaningful reductions in noise pollution, this investment should prioritize:

- Support for Transport Canada initiatives to reduce underwater vessel noise and disturbance impacts, such as the Quiet Vessel Initiative; completing work on the national Underwater Vessel Noise Reduction advisory group and operationalizing Underwater Noise Management Planning and target requirements for vessel owners and operators; and complementary work at the International Maritime Organization [TC];
- Support for DFO to develop and integrate noise monitoring into ongoing and developing implementation of Marine Protected Areas (MPA) and MPA networks, Other Effective Conservation Measures (OECM), Indigenous Protected and Conserved Areas (IPCA), and Critical Habitat for at–risk marine mammals. Data should be made publicly available [DFO]; and
- Mandating DFO and TC to collaborate to enforce, adaptively implement, and expand as appropriate TC initiatives for the management of vessel noise and disturbance for at–risk whales. [DFO, TC]

See also Marine shipping, earlier in this document.

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Photo: William William

Data collection to support regulatory evaluation of pesticides (Target 7)

The PMRA often lacks data on environmental concentrations and use patterns (e.g., information on the timing, location, and quantity of pesticide applications) for the pesticides it is responsible for evaluating and regulating. This is an unacceptable gap. Water and use monitoring should be expanded and extended beyond the limited initiatives first announced as pilots in 2021 and funded for two more years in Budget 2024. The collection of these data over a longer term is also required to measure Canada's progress towards meeting Target 7 of the Global Biodiversity Framework (reducing pesticide risks by 50% by 2030).

In June 2024, the government published draft regulatory changes to strengthen the consideration of species at risk in pesticide risk assessments. The Green Budget Coalition recommends that the Canadian Wildlife Service be funded to lead this work, and to assess and track the overall risks of pesticides to biodiversity.

Recommended Investment: $100 million over five years

- **$5 million top-up in 2025, then $40 million over five years beginning in 2026** (and renewed in 2031) to expand and extend the new pesticide water monitoring program. [PMRA, in collaboration with ECCC]
- **$25 million over five years** to launch a system for collecting and publishing pesticide sales and use data at the local/regional scale, **plus $5 million in 2025** to design and develop a publicly-accessible portal for communicating real-time pesticide use data. [PMRA, in collaboration with AAFC]
- **$25 million over five years** to support the consideration of species at risk in pesticide assessments and to assess and monitor the overall risks to biodiversity from pesticide use in Canada. [ECCC]

Cost recovery. The Green Budget Coalition also supports the PMRA's proposed increase in fees for pest control products and recommends: increasing the proportion of costs to be recovered; and expanding cost recovery to include a wider range of programs such as water monitoring activities and use data collection.

See also Sustainable Agriculture Strategy: Cultivating success, with related recommendations for reducing risks from pesticides, earlier in this document.

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Photo: Austin Distel

Meeting People's Needs – Targets 9–13

Managing ocean fisheries (Target 10)

Globally and in Canada, direct exploitation of wildlife is the second largest direct driver of biodiversity loss[99] or degradation. Commercial fisheries represent by far the largest harvest of Canadian wildlife with a total volume of 805,000 tonnes of fish in 2021.[100] Additionally, bycatch and entanglement of marine wildlife in Canadian fisheries is a primary driver of species decline. Despite a strong legal and policy framework for fisheries management, Canada's fisheries have been marred by serial depletions of stocks, with population abundance of fish species decreasing by 30% on average between 1970 and 2018.[101] Achieving the KMGBF goals for the use of wild marine species (Targets 5, 9, 10) and the recovery of those at risk of extinction (Target 4) through the implementation of Canada's 2030 Nature Strategy will require a holistic and modern approach to management of our ocean resources.

As outlined in Canada's 2030 Nature Strategy, Canada must expand and accelerate the development of a systematic implementation of an ecosystem approach to fisheries management that is supported by sound science and policy implementation. An improved fishery catch monitoring and observer system across all regions will be fundamental to this goal.

Additionally, Canada's aquaculture sector has seen significant growth, with production volume tripling over the last three decades. However, over 70% of the current aquaculture output is from finfish aquaculture,[102] which carries significant risks for wild species and their habitat. To meet Target 10 of the KMGBF and ensure that areas under aquaculture are managed sustainably, Canada should support the transition to more sustainable forms of aquaculture that support both thriving coastal communities and healthy ecosystems.

Finally, implementation of the Whalesafe Fishing Gear Strategy is a critical step that Canada can take to address the impact of our fisheries on non-target species such as marine mammals and sea turtles.

99 Ray, J. et al., "The biodiversity crisis in Canada: failures and challenges of federal and sub-national strategic and legal frameworks." 2021. https://www.facetsjournal.com/doi/10.1139/facets-2020-0075

100 Government of Canada, "Landings." https://www.dfo-mpo.gc.ca/stats/commercial/land-debarq-eng.htm

101 Government of Canada, "Canadian species index." https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/canadian-species-index.html

102 https://www.dfo-mpo.gc.ca/stats/aqua/aqua-prod-eng.htm

Photo: Mark Timberlake

Implementing an ecosystem approach to fisheries management

In 2011, Canada committed to implementing an ecosystem approach to fisheries management (EAFM) under the Aichi targets. While EAFM has long been a departmental direction for DFO, implementation has been opportunistic and inconsistent rather than comprehensive, which is why Canada ultimately failed to meet its target by the 2020 deadline.[103] In 2022, the adoption of the KMGBF renewed Canada's commitment to a number of targets which explicitly include the adoption of an ecosystem approach to fisheries management.

Last year, DFO began developing a national implementation plan for EAFM. This national implementation plan will guide DFO's future decision making on fisheries management, the ocean ecosystem, and the livelihoods that depend on it. If applied consistently and effectively, this approach will incorporate critical ecosystem variables, such as climate and predator-prey dynamics, into Canada's fisheries science and stock assessments, leading to well informed decisions and adaptive management.

It is critical that the necessary resources be put in place to ensure DFO can effectively implement EAFM across fisheries and regions. Specifically, the Green Budget Coalition is recommending funding to support three key areas of work: 1) develop full ecosystem assessments for each region - a key EAFM necessity as identified by the DFO EAFM expert working group,[104] 2) develop regional data and code repositories to support consistent and efficient EAFM implementation at the regional scale (e.g., Duplisea et al.),[105] and 3) ensure sufficient capacity to incorporate ecosystem variables into single-stock science and management processes.

Recommended Investment: $40 million over five years [DFO]

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103 Biodivcanada, "Canada Target 9". https://www.biodivcanada.ca/national-biodiversity-strategy-and-action-plan/2020-biodiversity-goals-and-targets-for-canada/canada-target-9

104 Pepin, P. et al. "Fisheries and Oceans Canada's Ecosystem Approach to Fisheries Management Working Group: Case Study Synthesis and Lessons Learned." 2023. https://publications.gc.ca/collections/collection_2023/mpo-dfo/Fs97-6-3553-eng.pdf

105 Duplisea, D. E. et al. gslea: "Gulf of St Lawrence ecosystem approach data matrix R-package." R package version 0.1. https://github.com/duplisea/gslea

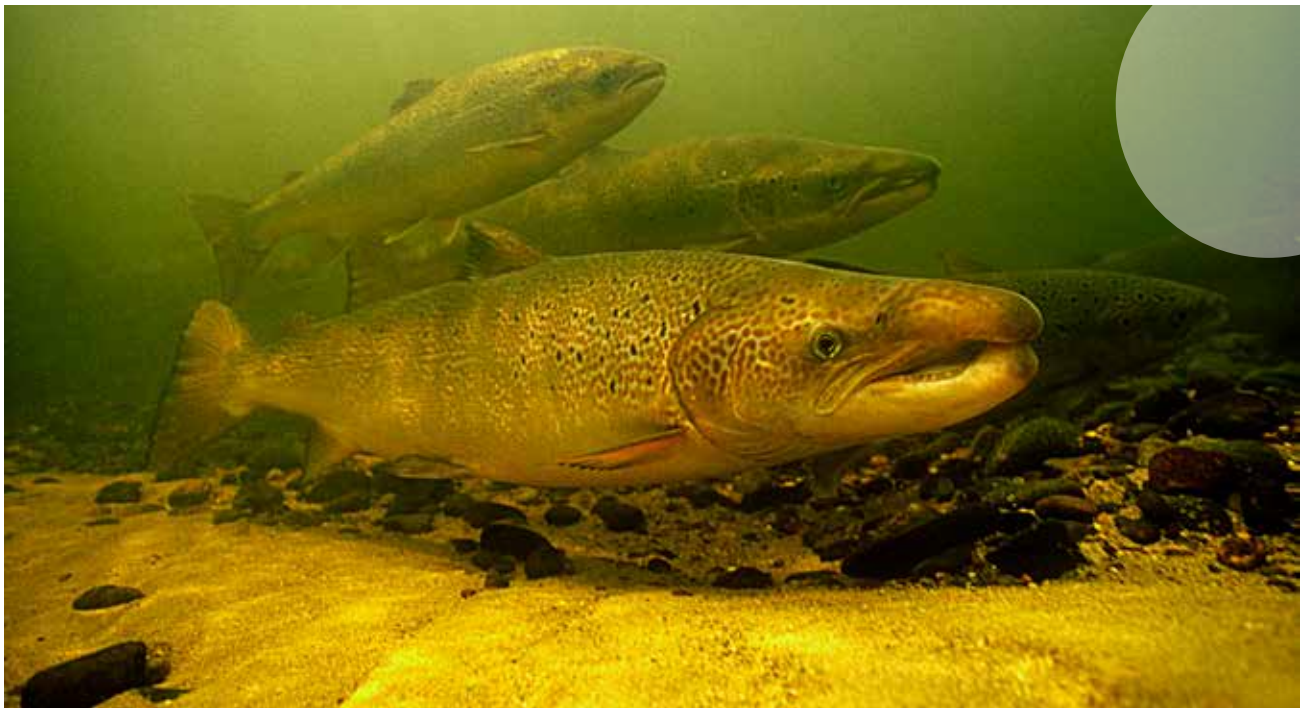

Photo: W. Van Ryckevorsel

Building a modern fisheries catch monitoring and observer system

Fisheries catch monitoring is essential for science, enforcement and compliance, improving business performance of fleets, and verifying of standards. Canada's assessments and management of fish populations, including species at risk, relies heavily on at-sea observer coverage and dockside monitoring. There is a global call for a significant increase in monitoring, reporting, and transparency to ensure sustainable fishing.

Canada is supporting improved compliance and monitoring schemes of countries around the world, leading efforts to adopt high seas inspection schemes, funding global tracking systems, and participating in negotiations on electronic monitoring standards. However, at home, Canada's fisheries monitoring is failing to achieve target coverage levels across a wide array of fisheries despite those levels being set at embarrassingly low targets for a leading fishing nation. The Auditor General of Canada has also identified severe shortcomings in Canada's fisheries monitoring programs.

Canada's most high-risk fisheries consistently fail to meet their observer coverage targets, due to a shortage of at-sea observers. Electronic monitoring (EM) has been at the forefront of discussions on how to address shortcomings of the system and increase reliable catch data in Canada. DFO has also identified bycatch monitoring and implementation of the Catch Monitoring Policy to ensure proper management and harvest under Target 10 of the 2030 Nature Strategy.[106]

There is industry and stakeholder interest in increasing the capacity of Canada's at-sea observer programs and developing EM standards and pilots, but resources are needed to prevent this work from stalling.

106 Government of Canada, "Canada's 2030 Nature Strategy: Halting and Reversing Biodiversity Loss in Canada." https://publications.gc.ca/collections/collection_2024/eccc/en4/En4-539-1-2024-eng.pdf

Therefore, the Green Budget Coalition recommends that the government invests directly in key areas of the system to kick start an immediate overhaul:

Recommended Investment: $60 million over three years [DFO]

- Support up–front costs for electronic monitoring pilot projects and increased coverage for high risk fisheries. (**$30 million**)
- Establish electronic monitoring standards, data management policies, working groups, and modern data processing tools. (**$20 million**)
- Support recruitment and training for well–paying observer jobs, especially in community and Indigenous based businesses. (**$10 million**)

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Photo: Sebastián Pardo

Ensuring the multi-million dollar growth opportunity of sustainable shellfish and seaweed farming

Shellfish and seaweed farming (oysters, mussels, scallops, kelp, clams) is poised to grow by 40% over the next five years if the Canadian Shellfish Sanitation Program (CSSP) is supported and adequately funded to provide the necessary oversight to ensure that seafarms operate, shellfish are harvested, and products are tested for safety before entering the market. A thriving shellfish and marine plant sea farming sector diversifies our seafood sector, offers opportunities for business ownership, coastal jobs, reconciliation in the blue economy, sustainable food, and contributes to the restoration of marine ecosystems.

However, underfunding of the Canadian Shellfish Sanitation Program is now one of the critical limiting factors preventing our coastal communities from realizing the promise of sustainable shellfish and seaweed farming. Thousands of kilometers of coastline perfect for shellfish farming and harvesting are unclassified or closed to new farms or expansions, not because these waters are actually contaminated, but simply because the CSSP lacks the capacity to undertake the required water testing. Hundreds of current harvesting sites are at risk of closure as the departments are forced to reduce their testing areas due to ever dwindling resources. There has been no increase in permanent funding to this required program in twenty years. Canadian communities and industry are losing market opportunities. Adequate funding and modernization of the CSSP is even more important now as shifting ocean temperatures impact the timing and safety of shellfish harvests and require more frequent testing to ensure products can get to market. The CSSP needs to be recognized and supported not only as important for Canadian consumer safety, but as a key enabler of coastal jobs, small businesses, and investment confidence.

Fortunately, with a relatively small investment, this problem can be solved and communities on all coasts will see the boom. In 2022, the latest federal government review[107] of the CSSP reiterated that the program does not have sufficient funding to operate as it should, "to ensure that health risks are minimized, the shellfish industry remains strong, and stakeholder and partner needs are served appropriately". It recommended a minimum of $30 million annually, while the CSSP is only slated to receive $10 million annually in the coming years.

Recommended Investment: $20 million per year, ongoing [ECCC, DFO, CFIA]

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107 Government of Canada, "Horizontal Evaluation of the Canadian Shellfish Sanitation Program." https://www.dfo-mpo.gc.ca/ae-ve/evaluations/22-23/96744-eng.html

Photo: Simon Ryder Burbidge

Implementing the Whalesafe Fishing Gear Strategy

DFO's draft Whalesafe Fishing Gear Strategy sets five objectives to support the transition to whalesafe commercial fishing in Canada:

1. Incorporate on-demand fishing gear into priority fisheries to protect North Atlantic Right Whales in Atlantic Canada and Quebec;
2. Assess fisheries across Canada to identify fisheries with a high risk of whale interaction and entanglement;
3. Incorporate on-demand fishing gear more widely into Canadian fisheries;
4. Implement other gear modifications to prevent and alleviate whale entanglement harm; and
5. Continue research and gear trials to address knowledge gaps.

Lobster and snow crab are the two largest commercial fisheries in Canada by volume and by value with a combined export value in 2021 of over $5 billion. Implementation of the Whalesafe Fishing Gear Strategy will be a key factor in determining if Canadian snow crab and lobster fisheries meet the U.S. Marine Mammal Protection Act and continue to be allowed to sell to the US market.

Implementing this strategy will also position the snow crab fishery to seek reinstatement of its Marine Stewardship Council (MSC) certification and reopen access to markets for certified seafood products. As important, it will eliminate a major cause of injury and mortality for marine mammals and sea turtles and remove a primary threat to the highly endangered North Atlantic Right Whale.

Crab and lobster harvesters require support to begin using on-demand fishing gear and other whalesafe gear technologies. On-demand technology is changing fast and is currently unregulated. Harvesters require training in the new technology and low-risk options for accessing the gear, such as gear loan or leasing programs. An extension program to demonstrate gear and train harvesters in the new technology will be central to achieving DFO's draft objective of incorporating on-demand fishing gear into priority fisheries.

DFO requires departmental capacity, training, and equipment to implement the required regulatory, policy and program component for the use of whalesafe fishing gear. This includes:

- Development of on-demand gear standards and regulations for gear operational requirements;
- Establishment of acoustic gear communication standards;
- Development of gear-marking technology and standards;
- Implementation of on-demand gear permitting using conditions of license;
- Fisheries Officer learning, training, equipment purchase and upgrade; and
- Implementation of a regulatory framework that establishes long-term certainty of fisheries-management measures to protect Right Whales, including the use of on-demand gear-only fishing areas.

Recommended Investment:

$45 million over five years for departmental capacity and harvester support to implement the actions necessary to achieve the objectives of the Whalesafe Fishing Gear Strategy. [DFO]

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Photo: Canadian Wildlife Federation

Freshwater management (Target 11)

The sustainable management and stewardship of Canada's freshwater environments is one of the great challenges of our time, and one of the most important means by which Canada can demonstrate global natural resource leadership.

Recent investments in freshwater and the establishment of the Canada Water Agency, while encouraging, should be seen as a first step towards a coordinated national approach to protecting all of Canada's freshwater resources, which are central to our nation's health and prosperity. Especially to meet commitments made under the Freshwater Challenge and KMGBF, ongoing investments in freshwater are needed to protect and restore our large lakes and river systems, and the surrounding watersheds and wetlands that support them.

Total Recommended Investment:

$675 million over five years, and then $200 million over the following five years (2030–2035)

- **$475 million over five years** to expand freshwater management practices nationally:
  - **$280 million** in additional funding for the Freshwater Action Plan to improve water quality, manage water quantity, and protect aquatic biodiversity through implementing watershed action plans and in-water actions nationally, starting with:
    - Fraser River
    - Mackenzie River

    Investments should be prioritized through a risk-based analysis using science and research and in collaboration with Indigenous peoples. [ECCC]
  - **$195 million** to address the funding gap in the rest of the country, to cover regions outside of the waterbodies identified as nationally significant, for projects that address issues including climate mitigation, climate adaptation, truth and reconciliation through capacity building and partnerships with Indigenous peoples, habitat restoration, water technology and innovation, community-based water monitoring, fish population recovery, planning, and natural infrastructure. [ECCC]
    - Ottawa River
    - Columbia Basin
- **$400 million over ten years** to build on the BC Watershed Security Fund to address water quantity and quality challenges and improve freshwater environments for Pacific salmon and steelhead in the Fraser River Basin and other priority watersheds (coordinate this funding with the Pacific Salmon Strategy Initiative). [ECCC]

Many of Canada's vast freshwater resources are located on Indigenous lands, whose people have stewarded these resources since time immemorial. Their inherent rights, traditional knowledge and understanding of these ecosystems must be a core component of any plans or actions taken. Additional funding for freshwater ecosystems should directly support both Indigenous-led water stewardship efforts and progress towards the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in Canada.

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Tools and Solutions – Targets 14–23

For international biodiversity financing, see Canada's international climate and biodiversity finance contributions, earlier in this document. (Target 19)

National Wildlife Habitat Conservation Stamp (Target 19)

Recommendation:

Increase the price of the Canadian Wildlife Habitat Conservation Stamp to $20. [ECCC]

Similar to the US Federal Duck Stamp,[108] the Canadian Wildlife Habitat Conservation Stamp ("the Stamp")—which migratory game bird hunters are required to purchase with their federal hunting permit—raises funds for conservation and draws attention to the importance of wildlife and their habitats. Since the inception of the Stamp Program in 1984, stamp and print sales have directly provided over $64 million for wildlife habitat conservation across Canada.

However, the price of the Stamp ($8.50) has not changed since 1991. With CPI-adjustments, an $8.50 Stamp in 1991 would cost almost $16.00 in 2023. Inflation and a decline in the number of waterfowl hunters over this period have significantly impacted the benefits that Stamp funds create for wetlands and wildlife habitat conservation, including migratory game bird habitat.

In the past three years, the Stamp program received 136 conservation project applications, demonstrating the tremendous public support for the program. Unfortunately, due to limited stamp sale revenues, only 84 of the 136 projects were funded. Despite this, the 84 projects leveraged $17.3 million; conserved, enhanced, or restored 146,742 acres of habitat; and involved 350,000 Canadians. Based on current Stamp sales (approximately 164,000 annually), this recommended price increase has the potential to create the following additional benefits over each three-year period: leverage $41 million to deliver nearly 200 conservation projects across Canada; conserve, enhance, or restore 345,000 acres of habitat; and involve 820,000 Canadians.

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108 The cost of the US Federal Duck Stamp in 2025 will be USD $25.

Photos: Canadian Wildlife Habitat Conservation Stamp

Youth employment programs to build a more equitable and inclusive future for conservation (Target 22)

As communities, businesses, and industries increasingly integrate nature-based solutions to address global challenges like climate change and biodiversity loss, conservation experience is becoming crucial for youth entering the workforce. Historically, the conservation sector in Canada has lacked diversity, but that trend is changing. Indigenous people, racialized youth, youth with disabilities, and those facing employment barriers are finding opportunities in conservation careers. Investing in youth employment programs can yield local community and economic benefits, enhanced ecosystem wellbeing, career paths for youth, and improvements in mental and physical health, fostering inclusion and belonging.

The Green Budget Coalition is pleased with the proposed allocation of $351.2 million in 2025-26 for Canada Summer Jobs and the Youth Employment and Skills Strategy (YESS) program to support 90,000 youth jobs, as well as the government's intention to launch consultations for a Youth Climate Corps program. However, the effectiveness of the YESS program is limited by specific requirements, such as restricting full-time terms to a maximum of three months and eligibility criteria preventing the extension of work terms.

The Green Budget Coalition recommends that the government continue and enhance support for conservation and other organizations by addressing these limitations.

Recommended Investments and Improvements [ESDC with PC and ECCC]**:**

- For the Youth Employment and Skills Strategy and Canada Summer Jobs programs:
  - Amend the program funding rules to allow all work terms to be at least six months long, full–time, at geographically–appropriate wage levels;
  - Amend the program participant eligibility rules to permit the extension of currently funded positions to six months before requiring participants to transition to new roles;
  - **$80 million in 2025–26** to enable 20% of work terms to be extended to 6–8 months, while maintaining the same number of hires; and
  - **$500 million per year, ongoing, starting in 2026–2027**, to create permanent funding allowing 25% of young people hired to be employed for roughly 6–8 months.
- Collaborate with environmental NGOs and funding communities to increase match funding and expand the reach and benefits of these programs for youth employment in the environmental sector.

See also recommendations for the Youth Climate Corps in Sustainable jobs for workers and communities, earlier in this document.

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Appendix 1
SUMMARY TABLE OF RECOMMENDATIONS' RECOMMENDED INVESTMENTS AND REVENUE INCREASES
millions of dollars

Recommendation Subrecommendation	Expected Lead Department(s)	2025-26	2026-27	2027-28	2028-29	2029-30	continuing	(end-year)
FEATURE RECOMMENDATIONS								
DELIVERING ON NATURE COMMITMENTS		**1,002**	**1,047**	**1,092**	**1,137**	**1,182**	**1,115**	**ongoing**
Renew & build on Enhanced Nature Legacy & Marine Conservation Targets programs								
Marine Conservation Targets – renewal	DFO, PCO, ECCC, TC, NRCan, CIRNAC	200	200	200	200	200	200	ongoing
Enhanced Nature Legacy – renewal	ECCC, PC, HICC	580	580	580	580	580	500	ongoing
New National Parks, NMCAs, NUPs	PC	45	90	135	180	225	400	ongoing
Advance other key elements of Canada's 2030 Nature Strategy								
Marine spatial planning	DFO, ECCC, PC, NRCan, TC	15	15	15	15	15	15	ongoing
Ecological restoration	NRCan, ECCC, DFO, AAFC	162	162	162	162	162		
Subsidy reform	FIN, DFO, AAFC, NRCan, ECCC	No additional cost – Savings could contribute to above investment needs.						
RETROFITTING FOR RESILIENCY AND AFFORDABILITY		**2,592**	**2,462**	**2,462**	**2,462**	**2,462**		
No-cost retrofits for low-income households	NRCan, CMHC, HC, HICC	1,400	1,400	1,400	1,400	1,400		
Deep retrofits for Indigenous communities	ISC, CMHC, CIB, HICC	760	760	760	760	760		
Targeted retrofits for on-farm migrant housing	CMHC, CIB, ESDC	2	2	2	2	2		
Skill development, capacity, & recruitment	NRCan, ISED, HC	300	300	300	300	300		
Last-mile investment for deep retrofit demo projects	NRCan	125						
National Affordable Home Energy Strategy	NRCan, HICC	5						
SUSTAINABLE AGRICULTURE STRATEGY: CULTIVATING SUCCESS		**507**	**508**	**509**	**510**	**511**	**87**	**ongoing**
Programs for biodiversity and ecosystem services								
Financial incentives for avoided conversion	AAFC, ECCC, PMO, StatCan, NRCan	25	25	25	25	25		
Maximize the return of marginal lands	AAFC, ECCC, PMO, StatCan, NRCan	10	10	10	10	10		
Market system for eco services on-farm	AAFC, ECCC, PMO, StatCan, NRCan	15	15	15	15	15		
National land use strategy	AAFC, ECCC, PMO, StatCan, NRCan	8	8	8	8	8		
Regulation and monitoring of pesticides	AAFC, ECCC, PMO, StatCan, NRCan	No additional cost.						
Build knowledge and technology transfer capacity								
Improve data collection to inform the NIR	AAFC, StatCan, ECCC, NSERC, SSHRC	100	100	100	100	100		
Make Living Labs Program permanent	AAFC, StatCan, ECCC, NSERC, SSHRC	5	5	5	5	5		
Review Best Management Practices	AAFC, StatCan, ECCC, NSERC, SSHRC	50	50	50	50	50		
Enhance technical assistance and training	AAFC, StatCan, ECCC, NSERC, SSHRC	50	50	50	50	50		
Pan-Canadian soil health strategy	AAFC, StatCan, ECCC, NSERC, SSHRC	1	2	3	4	5		
Enhance producer resiliency & Sustainable Productivity								
Integrate climate risk into Business Risk Management progs	AAFC	123	123	123	123	123	87	ongoing
Integrate Livestock Price Insurance into AgriInsurance	AAFC	70	70	70	70	70		
Develop early warning signs systems	AAFC	50	50	50	50	50		
Review agricultural policies for nature-harmful subsidies	AAFC	No additional cost.						
SUSTAINABLE JOBS FOR WORKERS AND COMMUNITIES		**1,302**	**Rising over $1.3 billion annually.**					
Youth training and empowerment	ESDC, NRCan	1,000	Rising over $1 billion annually as demand grows					
Indigenous clean energy pathfinding	NRCan, ISC	100	100	100	100	100		
Regional workforce development	ESDC, RDAs	200	200	200	200	200		
Data collection & analysis to inform jobs planning	NRCan, ESDC, StatCan	2	2	2	2	2		
OFFICE OF ENVIRONMENTAL JUSTICE		**127**	**107**	**107**	**107**	**107**	**77**	**ongoing**
National Strategy	ECCC	25	25	25	25	25	25	ongoing
Environmental enforcement	ECCC	40	40	40	40	40	40	ongoing
Screening and mapping tool	ECCC	30	10	10	10	10	10	ongoing
Collaborative partnerships and grants								
Collaborative partnerships	EECC	2	2	2	2	2	2	ongoing
Community grants	EECC	30	30	30	30	30		

millions of dollars

Recommendation Subrecommendation	Expected Lead Department(s)	2025-26	2026-27	2027-28	2028-29	2029-30	continuing	(end-year)
COMPLEMENTARY RECOMMENDATIONS								
INTEGRATING CLIMATE AND NATURE ACROSS CANADA'S FINANCIAL SYSTEMS, FISCAL POLICY, AND INTERNATIONAL FUNDING								
Sustainable finance	FIN, ECCC	No additional cost.						
Canada's international climate & biodiversity finance								
International Climate Finance	GAC, ECCC	3,500	4,000	4,000	4,000	4,000	4,000	2030-31
International Biodiversity Finance	GAC, ECCC	1,000	1,000	1,000	1,000	1,000	1,000	ongoing
Fossil fuel subsidies and dom. public finance	FIN, ECCC, PMO, PCO, NRCan, ISED	No additional cost – we expect this could be achieved using existing capacity.						
Canada's industrial carbon pricing	ECCC, FIN, NRCan	No additional cost – we expect this could be achieved using existing capacity.						
More circular economy, reuse and repair								
Repair fund	ISED, FIN	29	29	29	87	87	87	ongoing
Reuse fund	ECCC, ISED	34	33	33	35	35	35	ongoing
CLIMATE ACTION THROUGH EMISSIONS REDUCTIONS								
Advancing a zero-emissions electricity grid								
Interprovincial transmission	NRCan	4,000	4,000	4,000	4,000	4,000		
Indigenous-led and community-led generation	NRCan	960	960	960	960	960		
Indigenous leadership and partnerships	NRCan, CIRNAC, ISC, HICC	160	160	160	160	160		
Project development in equity-deserving communities	NRCan, CIB	3	3	3	3	3		
Provinces with commitments to net-zero grid by 2035	NRCan	71	71	71	71	71		
Demand-side management initiatives	NRCan	1,300	1,300	1,300	1,300	1,300		
Relaunching Smart Grid Program	NRCan	20	20	20	20	20		
Windfall profits tax on oil and gas companies	FIN	No additional cost – we expect this would generate revenue.						
Marine shipping								
Zero-emission vessels	TC	10	10					
GHG Emission Reduction Innovation Fund	TC, NRCan	5	5					
Alternative fuels	TC, ECCC, HICC	20	20	20	20	20		
Marine fuel carbon pricing	TC, ECCC, DFO	2.5	2.5					
Double public transit ridership by 2035								
Expand the Canada Public Transit Fund	HICC	3,000	3,000	3,000	3,000	3,000	3,000	2034-35
Strengthening Canada's public EV charging network	NRCan	109	108	108				
Updating iZEV program to decarbonize personal transportation		125	125					
Expand the iZEV program to include e-bikes	TC	15	15	15	15	15		
New scrappage program	TC	35	35	35	35	35		
A clean commute for kids: School bus electrification	HICC	375						
The road ahead: Zero-emission medium and heavy-duty vehicles								
Enhance the ZEVIP	NRCan	109	108	108				
CLIMATE ADAPTATION								
Ramping up adaptation investments	NRCan, HICC, ECCC, HC, CIRNAC	8,125	8,125	8,125	8,125	8,125	8,125	2032-33

millions of dollars

Recommendation Subrecommendation	Expected Lead Department(s)	2025-26	2026-27	2027-28	2028-29	2029-30	continuing	(end-year)
DELIVERING ON NATURE COMMITMENTS – COMPLEMENTARY RECOMMENDATIONS								
COMPLEMENTARY RECOMMENDATIONS TO DELIVER ON CANADA'S 2030 NATURE STRATEGY								
Reducing Threats to Biodiversity (KMGBF Targets 1-8)								
Comprehensive geospatial inventories	ECCC, StatCan, DFO, NRCan, AAFC	60	60	60	60	60		
Habitat Infrastructure Renewal Fund	ECCC, PC	37.5	37.5	37.5	37.5			
Endowment fund for private land conservation	ECCC	15	15	15	15	15	15	2034-35
Ecological connectivity: New fund, wildlife crossings	ECCC, PC, HICC	100	100	100	100	100		
Birds – Halting and reversing losses	ECCC	7.5	7.5	7.5	7.5			
Invasive species	ECCC, AAFC, DFO, CFIA, NRCan, PS, HC	50	50	50	50	50		
Combatting plastic pollution	ECCC, GAC, HC, DFO, TC, CBSA	334	333	333				
Underwater noise pollution	DFO, TC	40	40	40	40	40		
Pesticides – Data collection for regulatory evaluation								
Water monitoring	PMRA, ECCC	5	8	8	8	8	8	Fund renewal in 2031
Use data collection & publishing	PMRA, AAFC	10	5	5	5	5		
Assessing risks to biodiversity	ECCC	5	5	5	5	5		
Meeting People's Needs (KMGBF Targets 9-13)								
Managing ocean fisheries								
Ecosystem approach to fisheries management	DFO	8	8	8	8	8		
Catch monitoring and observer system	DFO	20	20	20				
Sustainable shellfish and seaweed farming	ECCC, DFO, CFIA	20	20	20	20	20	20	ongoing
Whalesafe Fishing Gear Strategy	DFO	9	9	9	9	9		
Freshwater management								
Expand freshwater management practices nationally								
Additional funding for the Freshwater Action Plan	ECCC	56	56	56	56	56		
Funding to new regions and projects	ECCC	39	39	39	39	39		
BC Watershed Security Fund	ECCC	40	40	40	40	40	40	2034-35
Tools and solutions (KMGBF Targets 14-23)								
National Conservation Stamp	ECCC	-2	-2	-2	-2	-2	-2	ongoing
Youth employment programs for conservation								
Extending work terms to 6-8 months	ESDC, PC, ECCC	80						
Permanent funding enabling 6-8 month terms	ESDC, PC, ECCC		500	500	500	500	500	ongoing

Department and Agency Acronyms

AAFC: Agriculture and Agri-Food Canada
CBSA: Canada Border Services Agency
CFIA: Canadian Food Inspection Agency
CIB: Canada Infrastructure Bank
CIRNAC: Crown-Indigenous Relations and Northern Affairs Canada
CMHC: Canada Mortgage and Housing Corporation
DFO: Fisheries and Oceans Canada
ECCC: Environment and Climate Change Canada
ESDC: Employment and Social Development Canada
FIN: Finance Canada
GAC: Global Affairs Canada
HC: Health Canada
HICC: Housing, Infrastructure and Communities Canada
ISC: Indigenous Services Canada
ISED: Innovation, Science & Economic Development Canada
NRCan: Natural Resources Canada
NSERC: Natural Sciences and Engineering Research Canada
PS: Public Safety Canada
PC: Parks Canada
PCO: Privy Council Office
PMO: Office of the Prime Minister
PMRA: Pesticide Management Regulatory Agency
RDAs: Regional Development Agencies
SSHRC: Social Sciences and Humanities Research Council of Canada
StatCan: Statistics Canada
TC: Transport Canada

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