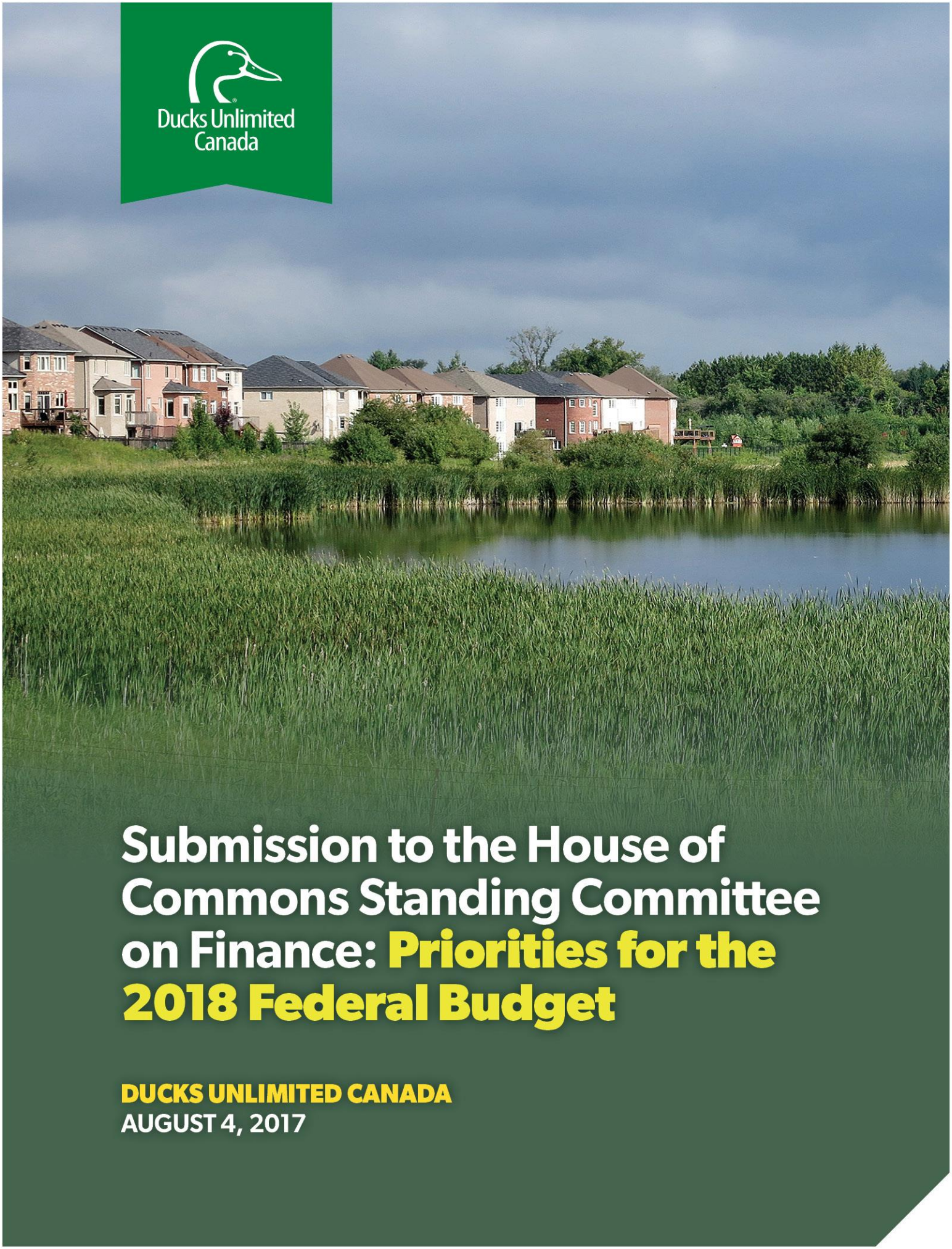
Ducks Unlimited Canada



Submission to the House of Commons Standing Committee on Finance: Priorities for the 2018 Federal Budget

DUCKS UNLIMITED CANADA

AUGUST 4, 2017

About

Ducks Unlimited Canada (DUC) is a registered charity and a conservation organization whose mission is to conserve, restore and manage wetlands and associated habitats for the benefit of waterfowl, other wildlife and people. For nearly eight decades, DUC has partnered with governments, industry, other non-profits and landowners to protect Canada's natural heritage through the delivery of sound science, on-the-ground habitat conservation projects and education programs. A proud partner the North American Waterfowl Management Plan, North American Bird Conservation Initiative and Habitat Species Joint Ventures, DUC has conserved nearly 6.4 million acres of habitat across the country.

Executive Summary

Ecosystems and their services are critical to Canada's productivity, economic growth and climate change strategies. Wetlands, grasslands, forests and other habitats are our "natural capital" assets that support sustainable and resilient communities, job creation and economic activity. Through their numerous services, these ecosystems create conditions to produce food, ensure access to clean drinking water, protect communities and businesses from severe weather events and support the lifecycle of many aquatic and terrestrial species. Conserving the availability and health of this natural wealth is imperative to Canada's future prosperity, clean growth and competitiveness.

Existing federal habitat conservation programs have been instrumental to enabling on-the-ground habitat conservation work when delivered in partnership with other levels of government, conservation organizations and the private sector. Over the last three years alone, these programs have helped Ducks Unlimited Canada (DUC) conserve nearly 155,000 acres of wetlands and other supporting ecosystems. Unfortunately, at this scale, these conservation gains cannot reverse the downward trajectory of habitat loss and the associated decline in ecosystem services that support our economy. For example, Canada has lost up to 70 percent of its original wetland base in settled regions of the country and continues to lose an additional 29,000 acres of wetlands to other land-uses – an area equivalent to the size of Vancouver – each year.

The environmental impacts of this degradation, magnified by a changing climate, are widespread and pose a serious threat to Canada's productivity and prosperity. For example, more severe floods, growing algal blooms in drinking water sources and the population declines of species are already hurting communities and businesses across the country in the form of lost revenue, property damage, human health impacts and higher mitigation and adaptation costs.

In the face of economic and climate uncertainty, investing in habitat and ecosystem services conservation has never been more urgent. Simply put, Canada cannot afford to lose any more of its natural capital assets nor can it continue to make marginal efforts and investments in their restoration. Because of their multiple benefits to society, investing in nature conservation is a cost-effective, strategic and efficient solution to many environmental, social and economic challenges. As such, DUC is pleased to provide the following recommendations for measures to effectively conserve Canada's habitats and ecosystem services. In turn, these will make our economy more productive.

Specifically, we recommend that the Government of Canada invest in:

1. The renewal and expansion of existing federal habitat conservation programs and partnerships in order to achieve net habitat gains in the most impacted and ecologically vulnerable regions of the country.

2. The development of geospatial decision-support tools to enable strategic habitat conservation and sustainable management of Canada's natural wealth.

3. The establishment of a national ecosystem goods & services incentive initiative that will restore critical ecosystem services on private lands and agricultural landscapes.

Why Habitat Conservation Matters for Canadian Productivity

The rising frequency and severity of extreme weather events pose a serious threat to Canada's productivity. According to the Insurance Bureau of Canada, "property and casualty insurance payouts from extreme weather have more than doubled every five to ten years since the 1980s."[1] Disaster recovery payments from Canada's federal Disaster Financial Assistance Arrangements (DFAA) have also

[1] Insurance Bureau of Canada. "Facts of the Property and Casualty Insurance Industry in Canada 2016".

increased dramatically. The majority of this disaster relief has been directed to remedying floods that have affected homeowners, communities and businesses.[2] Extreme weather is also hurting Canadian farm productivity and farmers' capacity to produce food. For example, in 2014, flooding in Manitoba and Saskatchewan cost an estimated $ 1 billion dollars in lost farm income.[3]

To protect communities and improve Canada's resiliency against floods and other natural disasters, all levels of government in Canada have begun to implement plans to help us cope with the impacts of severe weather events. For example, building codes and infrastructure investments are already being adjusted as a result of this new norm. However, the benefits of these adaptation investments are at risk of being negated by the continuous loss of our natural defense mechanisms. Wetlands provide water regulation services that act as natural buffers against floods and droughts, soil erosion and water pollution.

Simply put, wetlands act like sponges that retain excess water and precipitation on the land, providing moisture when conditions are dry, and holding water back when rainfall events occur. When wetlands are drained or destroyed for other land uses, Canadians lose this water retention service thereby exacerbating flood damage and costs.

"Simply maintaining wetlands in their natural state can result in financial cost-saving of 29 and 38 per cent."

Intact Centre on Climate Adaptation, July 2017

A recent report, produced by the Intact Centre on Climate Adaptation at the University of Waterloo, concluded that "wetland conservation can be a powerful means to reduce flood damages related to riverine flooding" and that "...simply maintaining wetlands in their natural state can result in financial cost saving of 29 and 38 per cent in rural and urban settings, respectively, under conditions of severe precipitation."[4]

Recommended Federal Measure #1: Renew & Enhance Habitat Conservation Programs

To protect Canadian communities and businesses from severe weather events and ensure their long-term resilience and productivity, DUC recommends that the Government of Canada renew and expand existing national habitat conservation programs. Since 2014, these programs have enabled DUC to conserve nearly 155,000 acres of wetlands and other important ecosystems that generate flood mitigation, water filtration and climate control services for Canadians while supporting other objectives such as our international obligations to the United Nations Convention on Biodiversity conservation targets. According to the Canadian Wildlife Service, the demand for these program funds is significantly greater than what is currently available, which limits conservation partnerships and our overall capacity to leverage additional conservation funds. As such, we recommend that:

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2 "Over the past six fiscal years, the federal government spent more on recovering from large-scale natural disasters than in the previous 39 fiscal years combined." Office of Audit General of Canada. Reports of the Commissioner of the Environment and Sustainable Development. "REPORT 2: Mitigating the Impacts of Severe Weather, 2016."

3 CBC News, *Flood of 2014 a $1B hit for Manitoba farmers: KAP*, July 10, 2014; Manitoba Co-Operator, *Short-term aid, long-term solutions needed,* July 17, 2014

4 Moudrak, N.; Hutter, A.M.; Feltmate, B. 2017. *When the Big Storms Hit: The Role of Wetlands to Limit Urban and Rural Flood Damage*. Prepared for the Ontario Ministry of Natural Resources and Forestry. Intact Centre on Climate Adaptation, University of Waterloo.

The Government of Canada renew existing conservation programs for another five years and increase their total funding portfolios to:

- **$175 million for the National Areas Conservation Program**
- **$70 million for the National Wetland Conservation Program**
- **$60 million for the Recreational Fisheries Conservation Partnerships Program**
- **$25 million for the Habitat Stewardship Program for Species at Risk**

The cost-sharing delivery model of these programs would leverage an additional $505 million over five years for habitat conservation and in turn help mitigate the ongoing loss of water retention and other important ecosystem services required for climate adaptation and long-term productivity.

RETURN ON INVESTMENT

Conserving wetlands[5] and other important ecosystems is not only a proven climate adaptation measure, but also a strategic and sound investment in Canada's productivity. According to a recent economic analysis, every $1 invested in wetland conservation generates a $22 benefit in terms of economic, social and environmental well-being.[6] This means that the National Wetland Conservation Fund program alone (when matched by partner funds) has the ability to create up to $2.86 billion in additional economic, societal and environmental benefits including flood alleviation, source water protection, climate mitigation and biodiversity. In addition to reducing the need for more costly grey infrastructure solutions, these ecosystem services also create employment opportunities in tourism and recreation, support cultural values and promote healthy living in rural and ex-urban settings. Finally, wetland conservation enables governments to use their limited resources to generate multiple benefits for the public and meet several policy priorities with the same investment.

For every $1 invested in wetland conservation, society receives a $22 benefit in terms of economic, ecological and societal well-being.

Recommended Federal Measure #2: Invest in EGS Restoration on Private Land and Across Agricultural Landscapes

Habitat conservation often competes with other economically important land uses including food production, resource development and urban growth. The tension between environmental protection and economic activity is especially strong on agricultural landscapes. Farmers are faced with the growing challenge to produce more food using fewer inputs and, at the same time, protect Canada's air, soil, water and biodiversity. DUC proposes a national ecosystem goods and services (EGS) restoration initiative, the Land Management and Stewardship Program, that will help farmers and other private landowners meet this challenge in a way that will enhance their economic productivity at no additional cost to the environment. Specifically, we recommend that:

The Government of Canada establish a five-year EGS restoration program that will invest $50 million per year in matching federal funds for:

5 Wetland conservation refers to protecting intact wetlands and restoring wetlands that have been drained, destroyed, or filled in.

6 Anielski, Mark et al. "A Genuine Return on Investment: The Economic and Societal Well-being Value of Land Conservation in Canada. (*Executive Summary)*" February 2014, p. 5.

- **The restoration of lost or degraded habitat (e.g. wetlands, grasslands) on private land, and of the ecosystem goods and services they provide.**
- **Paying the financial incentive to the landowner who will maintain these restored habitats on their property through long-term conservation easements.**

Under this initiative, partners such as conservation groups would match federal funds at a one for one rate and work with eligible landowners to restore lost EGS on their properties in areas that have experienced high historical habitat loss. It is important to note that landowners would only receive compensation if they agree to restore and subsequently maintain the EGS on their land through longer-term habitat conservation easements.

RETURN ON INVESTMENT

DUC estimates that the proposed $250 million investment over five years, when matched by partner funding, would generate millions of dollars in ecosystem services. This includes those with direct benefits to agricultural productivity such as pollination, pest and disease management, nutrient cycling and soil fertility, soil erosion prevention and flood mitigation. The graphic provides an example of the potential ecosystem service value that could be created over 33 years from 31,600 acres of restored wetlands, assuming that two-thirds of total program funding ($166 million out of $250 million) are matched and used for wetland restoration.

Increased conservation across agricultural landscapes would also support the growth of an environmentally sustainable sector, making Canadian farmers more competitive at home and abroad. This investment would help build public confidence in agricultural production and increase farmers' access to markets of sustainably-sourced foods.

Recommended Federal Measure #3: Invest in Geospatial Decision-Support Tools to Enable Strategic Habitat Conservation

In this current challenging economic climate, governments everywhere are striving to use limited resources more efficiently to address multiple challenges and priorities with fewer dollars. To maximize the value of each investment, DUC believes that policy and program decisions need to be made based on reliable, relevant and timely information. For this reason, we recommend that:

The Government of Canada invest $130 million over five years in the completion of the Canadian Wetland Mapping tool and the development of an Ecosystem Mapping & Monitoring framework, in order to:

- **Identify and track the location, distribution and health of Canada's critical ecosystems, including wetlands and grasslands.**

- **Inform decision making related to land-use planning, resource development, environmental assessments and climate adaptation.**

These geospatial decision-support tools are essential for identifying and monitoring the state of wetlands and other important ecosystems on the Canadian landscape, providing valuable open data to governments, industry and the public and helping them avoid and minimize the environmental impacts of development. While considerable work has been undertaken to complete Canada's wetland inventory, many information gaps remain that limit governments' capacity to undertake strategic and sustainable land-use planning. Building on the National Ecosystem Early Warning System (NEEWS) proposed in 2016 by Natural Resources Canada and the department's current efforts to develop an integrated geospatial data platform, DUC urges the Government of Canada to support the development of a comprehensive ecosystem mapping and monitoring framework.

RETURN ON INVESTMENT

The recently published discussion paper on federal environmental and regulatory reviews confirms that "many environmental and economic challenges could be overcome with better information, early awareness, and improved transparency".[7] Efficient and strategic use of scare resources, enabled by improved data quality, availability and access, will benefit Canada's productivity, clean growth and the transition to a low carbon economy by facilitating evidence-based decisions.

FOR MORE INFORMATION, CONTACT:

James Brennan, *Director of Government Affairs*
Ducks Unlimited Canada
612-350 Sparks Street, Ottawa, Ontario K1R 7S8

Phone: 613-565-2525
Email: j_brennan@ducks.ca

[7] Government of Canada, *Environmental and Regulatory Reviews: Discussion Paper*.