

Written Submission for the Pre-Budget Consultations in Advance of the 2020 Budget

THE GREENBELT FOUNDATION



Possibility grows here.



Recommendations

Recommendation 1: That the government **increase its focus on opportunities to invest in natural assets** and review existing program models to ensure that distinctions between “restoration” and “infrastructure” are not impeding opportunities for low carbon initiative to receive funding.

Recommendation 2: That the government **create Infrastructure and other programs exclusively targeted to natural assets**, as existing Green Infrastructure investments in areas such as Ontario’s Greater Golden Horseshoe have very low proportions of true natural asset investments (a notable exception being the Toronto Port Lands).

Recommendation 3: Further to the above, that the government create an ambitious new program and allocate \$1-billion to fund natural asset predominant projects across the country.

Recommendation 4: That the government **consider alternative program contribution models with reduced minimum thresholds, including:**

- **Reduced contribution requirements for smaller, community-based initiatives** which may struggle to find matching dollars in the current fiscal environment in certain jurisdictions.
- A greater proportion of funding targeted specifically to **smaller and more diverse natural asset initiatives led by community-based groups and not-for-profit organizations.**

Recommendation 5: Further to the above, that the government **make “anchor investments” to enhance the ability of community, municipal, and regional initiatives to pursue matching funding** based of an upfront federal commitment.

Recommendation 6: A requirement for **analysis in municipal project proposals** from municipalities for certain project classes (e.g. water, waste water, resilience-related) to consider the extent to which municipal natural capital could be integrated into, or entirely accomplish the objectives of, the project.

Recommendation 7: That the government give greater consideration to the **critical role of urban development form and regional growth strategies**, which have an immense impact on the release of greenhouse gases, and opportunities for both climate adaption and mitigation.

Recommendation 8: That the government **pursue opportunities to support the implementation and advancement of peri-urban natural assets like Ontario’s Greenbelt** which occur in various forms and areas of the country and hold immense opportunity for improving climate resiliency, sequestering carbon, and directing growth in a sustainable manner.

Introduction

The Greenbelt Foundation thanks the Standing Committee for the opportunity to participate in Finance Canada's pre-budget consultation process.

In Budget 2020, the government has the opportunity to invest in a signature initiative that will leave as its legacy for future generations a collection of natural assets that will lead to long-term environmental and economic resilience. Building on the success of Ontario's Greenbelt, federal policy priorities will advance clean economic growth, particularly in rural communities, promote climate resiliency, and contribute to Canada's stated biodiversity goals.

Investment in natural assets and green technology

The Greenbelt Foundation supports the protection and enhancement of the Greenbelt's agricultural, natural and water resource systems and increases understanding of the social, economic and environmental benefits that flow to the public. Through the Greenbelt and the efficient planning of our towns and cities, our work increases resilience and reduces vulnerabilities to climate change in the Greater Golden Horseshoe.

Our work indicates that community-based investment in natural assets is one of the most effective and cost-efficient means of supporting adaptation to a low carbon future.

The Insurance Bureau of Canada defines natural infrastructure as:

"A strategically planned and managed network of natural lands, such as forests, wetlands and other open spaces, which conserves or enhances ecosystem values and functions and provides associated benefits to human populations.

A key benefit of using natural infrastructure for climate adaptation is that typically, it can serve a number of functions (e.g., both flood and drought attenuation) and have a variety of additional ecological and societal benefits".

The Municipal Natural Assets Initiative advises that "emerging evidence shows that identifying, measuring and managing natural assets as part of an overall asset management strategy can save capital and operating costs and reduce risk" – key considerations in a low carbon economy and resilient low carbon communities.

A low carbon economy will require communities to take bold new approaches to building infrastructure, emulating best practices in areas like Winnipeg, for example, that have successfully used naturalized stormwater ponds to significantly reduce costs and:

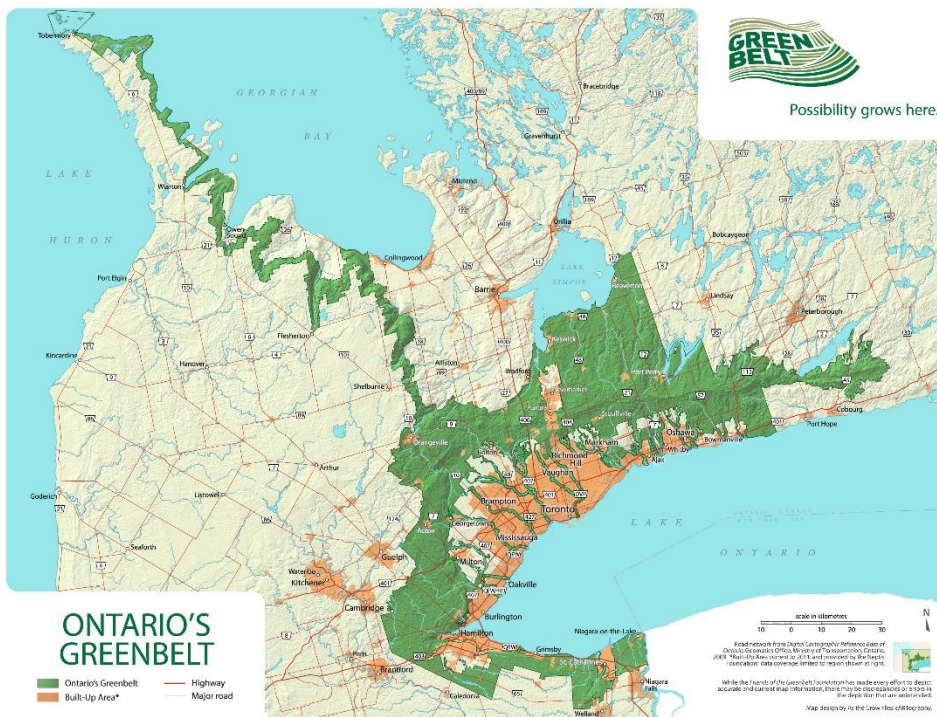
- ***improve water quality***
- ***allow for low to no maintenance***
- ***provide natural aesthetics***
- ***provide a range of design options.***

A commitment to a low carbon economy and climate change mitigation and adaptation must include investment in natural asset restoration, which is often currently overlooked in favour of traditional engineered assets. Specific consideration should be given to water shortages that counter-intuitively coincide with widespread flooding, both of which put water supply – which is essential to a thriving economy – at risk.

In its 2019 report to FINA, the Expert Panel on Climate Change Risks and Adaptation Potential (The Panel) identified key issues related to impacts on business, industry and employment disruptions from extreme weather events, saying, “The Insurance Bureau of Canada identifies climate change and associated losses among major issues facing business insurance today....Increased land and water conservation activities (at wider scales than currently used) can aid in protecting and preserving the resilience of natural systems and the co-benefits these bestow on human systems, which are increasingly being quantified and formalized”.

In the context of a Climate Emergency, we must move quickly to ensure that cost effective and highly resilient solutions are realized. This will require government policy and program models to be structured specifically to include natural assets and infrastructure.

Case study: *Positively Green*



Ontario’s Greenbelt is the largest in the world, and a macro example of natural infrastructure comprising natural heritage and agricultural systems. It, and similar examples at a smaller scale, can provide the groundwork for programs to contribute to efforts in a climate emergency to reduce atmospheric carbon and mitigate its impacts. Its headwaters alone provide fresh water to over 7 million Canadians and support the economic heartland of the country.

The Greenbelt’s geography surrounding Canada’s most populous urban area provides a unique landscape for the development of green infrastructure and restoration technology that will:

- increase resiliency to extreme weather events

- mitigate disruptions from extreme weather events that affect business, industry and employment disruptions.
- provide the groundwork for implementation across Canada and for international export.

The Panel included specific consideration of the impact of urban areas:

“More than 80% of people in Canada live in urban areas meaning that climate risks affect most people through their impacts on cities. These risks include extreme rainfall resulting in urban flooding, heatwaves, wildfires entering urban areas, and coastal infrastructure failing during storm-surge events. The concentration of complex and interconnected infrastructure in and around cities may amplify vulnerability.”

“Over 75% of the associated costs, damages, or disruptions from climate risks to physical infrastructure, governance and capacity, and human health and wellness could potentially be avoided over the 20-year timeframe.”

As the impacts of climate change and the pressures of urbanization increase, a focused effort to invest in the Greenbelt’s natural capital is needed to maintain and expand its environmental benefits. In addition, climate change is a threat to its agri-food sector – a key sector of the Greater Golden Horseshoe’s economy – due to water and temperature fluctuations and other carbon impacts. Positively Green is the framework for that investment.

“Each year, the Greenbelt’s natural assets provide \$3.2B in ecosystem services, including flood protection, drinking water and crop irrigation. It stores and sequesters over 102 million tonnes of carbon every year. That’s the equivalent of taking 52 million cars off the road.”

Positively Green is a program of over 100 projects that will not only protect but enhance the environmental benefits the Greenbelt’s assets can deliver through natural infrastructure. It is a collaborative partnership of conservation authorities, municipalities, and communities, led by the Greenbelt Foundation, which is in a unique position to administer and manage the program across its geography.

Positively Green and similar initiatives offer the government an unparalleled opportunity to support:

- Adaptation to a low carbon economy
- Storing and sequestering carbon and reducing emissions
- Mitigating the impacts of extreme weather events
- Agricultural innovation and best practices that offset atmospheric carbon and drive economic development.

Removing funding barriers

To help unlock the unrealized value of natural assets, the government should consider alternative program contribution models, particularly reduced contribution requirements for smaller, community-based initiatives which may struggle to find matching dollars in the current fiscal environment in certain jurisdictions.

Projects such as those in Positively Green are a crucial component to climate change mitigation and adaptation in a low carbon economy, but may be overlooked for government investment because they individually do not meet minimum funding thresholds. A programmatic approach to “bundling” projects may be possible in some cases, but not all – for instance, where there is no obvious lead partner to assemble and administer the program.

The Insurance Board of Canada (IBC), in its 2018 report, [Combatting Canada’s Rising Flood Costs: Natural infrastructure is an underutilized option](#), says: “The smaller scale and distributed nature of natural infrastructure makes it difficult to fit it into the structure of traditional infrastructure funding programs. Criteria – including eligibility, time frames, investment thresholds and matching requirements – must be created specifically to support natural infrastructure proposals from municipalities, provinces and NGOs.”

The Greenbelt Foundation shares the view of the IBC that “entirely separate programs would be an effective response to the reality that municipalities will continue to favour the development of capital-intense and larger grey infrastructure projects over smaller-budget natural infrastructure plans if they are competing within the same funding streams”. It recommends the establishment of “funding mechanisms and criteria that explicitly recognize the unique programmatic needs of implementing effective natural infrastructure solutions within broader infrastructure funding frameworks”.

Positively Green is an example of a program whose “bundling” of constituent projects leverages partnerships to create cross-regional impacts. It also represents an opportunity for efficiencies through the development and sharing of best practices and knowledge translation. Government funding should be structured to encourage such collaborative approaches.

Providing “anchor investments” in local communities

The Panel reports that “the need for effective coordinated disaster prevention, mitigation, and response will grow as weather events become more severe and more frequent. In recent years, there has been growing emphasis on prevention and “building back better” in particular (i.e., avoiding or reducing risk through reconstruction)”.

The government is in a unique position to spur investment and leverage other private and public funding for natural asset restoration across the country by providing “anchor investments” to enhance the ability of community, municipal, and regional initiatives to pursue matching funding based on an upfront federal commitment. This approach builds on the Treasury Board’s [Greening Government Strategy](#) (2017), which commits to “integrating sustainability planning with local communities, working with partners, and establishing communities of practice”.

Factoring in urban growth and transportation

Any commitment to a reduction in greenhouse gases, as well as adaption to their impacts must factor in considerations of urban growth, transportation, and land use.

The Panel reports that “more than 80% of people in Canada live in urban areas, meaning that climate risks affect most people through their impacts on cities....At the same time, cities are highly interdependent with surrounding rural areas as well as broader national and global flows of goods and services including food, energy, and labour”.

In a Climate Emergency, the federal government has an opportunity to focus incentives for transportation, infrastructure, and other programs while respecting jurisdictional authorities of the provinces to reduce atmospheric carbon and its impacts on communities.

Such collaborative opportunities may include identifying protection and restoration of natural assets in peri-urban areas.

Conclusion

The government has an opportunity to increase the impact of its investment in the necessary transition to a low carbon economy while increasing climate resiliency by leveraging natural infrastructure initiatives across the country such as Positively Green, and by focusing on natural assets and agricultural lands in the geographies surrounding urban areas.

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