



Green Budget Coalition's

Submission to

House of Commons Standing Committee on Finance

Pre-Budget Consultations in Advance of 2020 Budget

August 2, 2019



The Green Budget Coalition (GBC) is urging scaled-up fiscal action to address the climate emergency, plus continued and ongoing investment in nature conservation to address the related biodiversity crisis.

This submission outlines the Green Budget Coalition’s comprehensive strategic recommendations for Budget 2020, addressing the Committee’s theme of the Climate Emergency: the Required Transition to a Low Carbon Economy, plus biodiversity and nature conservation, and other issues including sustainable agriculture, toxics, pesticides, plastics, and environmental data and science.

Much more detail and background on these recommendations is currently contained in the Green Budget Coalition’s *Preliminary Recommendations for Budget 2020* document, available at <https://greenbudget.ca/preliminary-recommendations-for-budget-2020/>, and in mid-October 2019 we expect the Green Budget Coalition’s revised, final *Recommendations for Budget 2020* to be available at www.greenbudget.ca.

List of Recommendations

Climate and Energy: Transition to a Low Carbon Economy

Phasing out Fossil Fuel Subsidies and Non-Tax Support

Take most important next steps by:

1. Legislating a timeline for phase-out of remaining tax deductions for fossil fuel exploration and production as well as other non-tax supports to fossil fuel industry.
2. Disclosing costs of all federal direct spending and value of annual tax deductions claimed for exploration, development and production of coal, oil and natural gas, including costs associated with Trans Mountain pipeline expansion; and provide to Parliamentary Budget Office.
3. Pursuant to Canada’s commitment in June 2018, proceed with a transparent and credible peer review of Canada’s fossil fuel subsidies with Argentina in 2019 that reflects these GBC recommendations.
4. Committing to not introduce new subsidies for fossil fuels, including not spending additional funds on expansion of Trans Mountain pipeline.
5. Committing to ending Export Development Canada’s financing and support for fossil fuels by 2020 and ensuring their climate change policy aligns its investments with Canada’s climate commitments.

Cost: Very low. Annual savings of several hundred million dollars.

Buildings and Energy Efficiency

1. Comprehensively consider available financing options for energy efficient buildings, including loan guarantees, dedicated Canada Infrastructure Bank funding, and creating new National Green Bank.
2. **Invest \$200 million over three years** in training for Canada's low-carbon building workforce.

Road transportation

1. **Additional funding for the Budget 2019-announced purchase incentives for electric and plug in hybrid vehicles**, to ensure sufficient funding. **\$150 million in 2020.**
2. For heavy-duty vehicle de-carbonization:
 - a. Establish financial incentives for fuel saving devices on heavy-duty trucks: **\$200 million over five years.**
 - b. Establish new financial incentives to support Canadian transit agencies in purchasing zero-emissions buses: **\$85 million in 2020.**
3. **Consider providing funds to municipalities to help cover public transit's operational costs** (in addition to capital projects).

Community Energy

1. Promote community investment by individual citizens by promoting co-operative business model and other community investment options. **\$10 million over five years;**
2. Expand Low Carbon Economy Fund to provide funding for feasibility studies to allow communities to assess their renewable energy potential and project options. **\$9 million over three years;**
3. Implement second round of [federal Smart Grid program](#)¹ focusing on deployment of community renewable energy technologies such as community scale storage and virtual net metering (community solar). **\$100 million over five years;**
4. Support development of tools that new community energy enterprises need (**\$9 million over three years**), including:
 - a. Guidance on how to raise community capital, including (RRSP and TFSA eligible) community bonds and preference share sales;
 - b. Templates for Power Purchase Agreements for sale of clean energy from community energy projects to individual customers;
 - c. Virtual net metering protocols for marketing and sale of clean energy from community sources to multiple customers.
5. Fund targeted federal programs to establish community energy programs in low-income and vulnerable communities. **\$50 million over five years**

¹ <https://www.nrcan.gc.ca/energy/science/programs-funding/19793>

International Climate Financing

- **At least \$2.9 billion annually** from 2020/21 to 2025/2026. This is the minimum that would constitute Canada’s fair share, which is considered to be 3-4% of the US\$100 billion per year committed by industrialized countries under the Paris Agreement.²

Nature-based Climate Solutions

- **\$1 billion over four years (2020-2024)** for:
 - Nature Based Solutions Fund (or broadened Green Infrastructure Fund) to support cost-effective actions that reduce land sector³ emissions, sequester carbon or furnish climate adaptation benefits, while also benefiting biodiversity conservation; and
 - Increased work on carbon accounting in the land sector.

Marine Shipping – Reduce Climate Impacts

- **\$15 million over two years** for Transport Canada to:
 - Develop policy instrument to include domestic shipping in Canadian carbon pricing system.
 - Develop national strategy to reduce black carbon emissions and air pollution from Canada’s shipping industry.
 - Review, publish lifetime carbon costs of fuel for government-procured ships.
 - Develop national speed reduction regime for maritime shipping.
- **\$20 million over two years** for R&D and sea trials to achieve 100% zero-emission vessels in Canadian inland waters by 2030.
- **\$5 million over two years** towards GHG reduction innovation fund to design, retrofit and test emerging technologies that save fuel and reduce GHGs and other pollutants.
- **\$15 million over five years**, starting 2021 (when international HFO ban is in place), for Arctic shipping fuels transition fund to support HFO phase-out while preventing prohibitive price increases in communities relying on shipped goods.

The GBC has complementary climate & energy recommendations on:

- Carbon Pricing
- Clean Fuel Standard
- Strategic Assessment of Climate Change
- Budget 2020 Reflecting True Costs of Climate Change

² Demerse, Clare. (2009). “Our Fair Share: Canada’s Role in Supporting Global Climate Solutions.” Pembina Institute. <https://www.pembina.org/reports/our-fair-share-report.pdf>

³ “Land sector” denotes land use, land use change and forestry (LULUCF), which includes agriculture.

Nature Conservation

Protecting Public Lands

1. Continue to invest in conservation and protected areas to achieve 17% protection of land and freshwater and 10% of ocean by 2020 - **\$82 million in 2020-21, \$78 million over 2021-24, and \$212 million over 2024-2030;**
2. Commit to protecting 30% of both land and ocean by 2030 and invest in achieving these targets - **\$128 million in 2020-21, \$295 million over 2021-24, and \$642 million over 2024-2030;**
3. Necessary ongoing investments in protected area management - **\$257 million in 2020-21, \$590 million over 2021-24, and \$1.3 billion over 2024-2030;**

Protecting Private Lands

1. **\$10 million in 2020-2021** to advance North American Waterfowl Management Plan implementation in support of achieving 17% protection of Canada's land and freshwater by 2020.
2. **\$40 million over four years** to ensure that privately protected lands are properly managed for the long term.

Habitat Restoration

- Establish a Wetland Restoration Program under Canada Nature Fund to restore lost and degraded wetlands and associated uplands in Canada, and to secure their critical ecological goods and services. **\$50 million per year for five years**, matched by \$50 million per year from non-federal government sources.

Restoring Canada's Grasslands

- A focused federal effort to restore and conserve Canada's grasslands, to stabilize declining bird populations, conserve grassland mammals, reptiles and amphibians, many of which are at risk, and support sustainable management of grasslands by ranching communities. **\$20 million per year for five years**, matched by \$20 million per year from non-federal government sources.

Conserving our Oceans' Biodiversity and Health

1. Marine spatial planning, including co-governance, marine protected area networks, National Marine Conservation Areas and conservation economy development
 - **\$81.5 million in 2020-2021**
 - **\$407.5 million over 2021-2025**
 - Thereafter, **\$77 million per year, ongoing**
2. Enhancing fisheries stock assessment, fisheries monitoring capacity, and ensuring fisheries data transparency - **\$175 million over five years**
3. Enhancing capacity to meet *Species at Risk Act* requirements to recover abundance of aquatic endangered and threatened species - **\$125 million over five years**
4. Aquaculture research, environmental protection standards, innovative technology research, monitoring, enforcement, and incentives for alternative production methods - **\$125 million over five years**

Conserving Canada's Birds Across Their Year-Round Range

1. **\$20 million over four years** for protection of important wintering habitats and migration staging and stopover sites outside Canada for shorebirds and other migratory birds.
2. **\$24 million over four years** including:
 - \$12 million for investments in science and conservation, especially monitoring and protection of seabirds;
 - \$12 million for delivery of *Species at Risk Act* to reduce backlog in recovery strategies and action plans and implement recovery actions not yet acted upon.

The GBC has complementary nature conservation recommendations on:

- Building a World Class Freshwater Monitoring Framework;
- National Wildlife Collision Reporting System

Sustainable Agriculture: Transitioning to a Vibrant and Environmentally Sustainable Food Production System in Canada

- **\$119 million per year for next five years** to improve the sustainability, resilience and competitiveness of Canada's agricultural sector:
 1. Agri-Environmental Programs: **\$94 million per year**
 2. R&D in Regenerative Agriculture: **\$16 million per year**
 3. Support an important scientific asset by building facility for National Insect Collection: **\$9 million/year**

Tackling Toxics and Pesticides

1. Next generation chemicals management and law enforcement:
 - Ongoing chemical assessment, research and monitoring, and risk management activities beyond Phase 3 of Chemicals Management Plan: **\$100 million annually, starting in 2021-22**
2. Enforcement of *Canadian Environmental Protection Act, 1999* and pollution prevention provisions in *Fisheries Act*: **\$50 million in 2020, then \$100M annually**
3. Fulfilling legal obligations for post-market pesticide regulation:
 - a) Fulfilling obligations under *Pest Control Products Act* to: 1) assess risks from pesticides already in use, 2) analyse data collected by AAFC and ECCC in two key areas during pesticide exposure assessment, and 3) upgrade compliance and enforcement beyond currently limited approach of targeted oversight: **\$50 million in 2020, then \$100 million annually** for Health Canada's Pest Management Regulatory Agency (PMRA).
 - b) Coordinated data collection on pesticide use and water monitoring: **\$10 million over five years** to AAFC for initial pilot and annual data collection; and **\$16.5 million over five years** to ECCC for water monitoring. Increased PMRA data-related costs of ~\$2.7 million included in a).

Supporting Banning Single-use Plastics and Enabling Circular Economy Strategies

- **\$60 million over five years** in public education and targeted compliance promotion,
- **\$500 million** matching fund to support zero-waste business investment,
- **\$12 million over five years** to prevent and recover abandoned fishing gear in marine environments,
- **\$5 million** to map level of circularity in Canadian economy and assess future scenarios.

Supporting Evidence-Based Decision-Making Through Environmental Science and Data

1. Establish external expert advisory panel to provide strategic advice on environmental data collection and management issues. **\$3 million over three years**
2. Geospatial:
 - **\$2 million over three years** to undertake an audit and inventory of existing geospatial datasets among federal departments and other levels of government.
 - **\$125 million over four years** in updated foundational geographic and landscape feature data to complete national habitat inventories.
3. Census of Environment
 - **\$16 million over four years** to advance development of a robust, full accounting of Canada's environmental assets.
 - Additional **\$5 million per year ongoing** for future data acquisition and analysis, and to expand Statistics Canada's environmental statistics group's sectoral capacity.

Collaborating on Regional-Scale Environmental Governance

- **\$155 million over five years** to facilitate provincial and Indigenous collaboration in regional and strategic assessments, establish advisory panel to inform regulations, policies and conduct of "bigger picture" assessments, and promote further collaborative assessments.

First Nations Water & Wastewater

- **\$361 million annually, ongoing**, for First Nations' water infrastructure operations and maintenance.

About



The **Green Budget Coalition**, active since 1999, brings together twenty-two of Canada's leading environmental and conservation, collectively with over one million members and supporters, to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make recommendations to the federal government regarding strategic fiscal and budgetary opportunities.

Members:

Bird Studies Canada
Canadian Environmental Law Association
Canadian Parks and Wilderness Society
Canadian Wildlife Federation
David Suzuki Foundation
Ducks Unlimited Canada
Ecojustice Canada
Ecology Action Centre
Environmental Defence
Friends of the Earth Canada
Greenpeace Canada
International Conservation Fund of Canada

International Institute for
Sustainable Development
MiningWatch Canada
Nature Canada
Nature Conservancy of Canada
Pembina Institute
Sierra Club Canada Foundation
USC Canada
WWF-Canada
West Coast Environmental Law
Wildlife Habitat Canada

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