

**Written Submission for the Pre-Budget Consultations
in Advance of the Upcoming Federal Budget**

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Recommendations

Recommendation 1: Invest in high-quality, secure employment in the not-for-profit and charity sector

Recommendation 2: Include not-for-profit and charitable organizations in consultations on pandemic response programs

Recommendation 3: Invest in in-depth policy consultations with grassroots experts and community-based organizations

Recommendation 4: Invest in capacity-building for organizations advancing the Sustainable Development Goals (SDGs) and 2030 Agenda

Recommendation 5: Review Canada's 2030 Agenda for Sustainable Development priorities to ensure adequate investment in environmental sustainability

To the House of Commons Standing Committee on Finance,

For decades Canada's environmental charities and not-for-profit organizations (NPOs) have protected Canada's natural heritage, as well as the health and well-being of its people. Often overlooked, is the essential role of NPOs in Canada's economy, from sustaining the resources and ecosystem services that create wealth, to creating jobs that provide Canadians - especially women - with income and dignity.

A thriving nonprofit sector helps keep Canadians happy and healthy, and helps the government make efficient, effective use of taxpayer dollars. NPOs produce cost-effective social and environmental benefits through their employees' and volunteers' efforts. Over 12.7 million Canadians volunteered for NPOs in 2013, contributing almost two billion hours of volunteering¹.

Environmental NPOs have long been trusted advisors, helping the Government create data-driven policy and gain insights into community-level knowledge and concerns. They are key to Canada's 2030 Agenda and a green economic recovery.

This positive impact is possible only when NPOs have enough resources to hire and retain employees, carry out projects and maintain reasonable overhead expenses. It's possible only when they have a voice in policy-making, and when the regulatory regime allows them to do their work without facing unreasonable barriers.

Unfortunately, financial support for NPOs has shrunk over the past two decades, while outdated regulations have strangled organizations' ability to innovate and modernize. In addition, meaningful policy consultation has largely been replaced by online consultations that fail to make effective use of NPOs' expertise and create barriers to their participation.

The Canadian Environmental Network (RCEN) represents environmental NPOs across Canada, having over 40 years of experience in working with the federal government to solve Canada's most pressing environmental challenges. Our members have enormous expertise in the scientific, social, political and economic aspects of sustainability, as well as first-hand knowledge of communities across Canada.

Our sector has always been a valuable part of Canada's economy and civil society, and will continue to be, especially in crafting the green, equitable economic recovery that Canadians want.

¹ Imagine Canada (2018), Sector Stats
<https://imaginecanada.ca/en/360/sector-stats>

Recommendation 1: Invest in high-quality, secure employment in the not-for-profit and charity sector

NPOs account for 8.5% of Canada's GDP and employ about 2.4 million Canadians.² Approximately 75-80% of workers in this sector are women,³ making it a strategic focus for gender equality. This is particularly important in the post-COVID recovery, as women's recovery of pandemic-related employment losses is progressing more slowly than men's.⁴

NPOs have the potential to be powerful engines for job creation in the short- and long-term, but only with much-needed reforms to the ways in which NPOs are funded.

Despite the importance of NPOs in Canada's GDP and gender equality, many NPO jobs are precarious due to the difficulties in accessing stable, long-term employment funding. Grant and contribution agreements are often short-term, restrictive, and impose heavy administrative burdens on both government and recipients. The shortage of multi-year funding, the exclusion of legitimate financial and administrative costs, and the frequent insistence that funds be used for new staff or programming, all limit NPOs' ability to carry out long-term strategies, retain experienced staff or continue valuable programs. NPOs are often forced to hire and train short-term contract employees whose funding expires just as they develop familiarity and competence in their positions. NPO employees spend substantial time fundraising to cover their salaries, which reduces their time spent on projects and the public interest.

This cycle is a highly inefficient waste of time, money and talent, and it hurts the financial security of NPO employees.

The existing grant and contribution regime has long been subject to criticism.⁵ In order to create quality jobs for Canadians, now is the time to reform it.

Investment in capacity-building and long-term job creation in NPOs would create high-quality jobs for Canadians, particularly for women, while helping strengthen civil society and leading to greater

² Statistics Canada (2017), The Daily — Non-profit institutions and volunteering: Economic contribution, 2007 to 2017. <https://www150.statcan.gc.ca/n1/daily-quotidien/190305/dq190305a-eng.htm>

³ ONN (2019), Decent Work for Women Working in Ontario's Nonprofit Sector.

http://www.hrcouncil.ca/documents/LMI_gender_mix.pdf

<https://theonnc.ca/wp-content/uploads/2019/03/DWW-Findings-and-Solutions-Summary-2019-ONLINE-JAN-2019.pdf>; HR Council. (2008). Trends & Issues: Gender mix in the nonprofit sector.

⁴ Statistics Canada (2020), <https://www150.statcan.gc.ca/n1/daily-quotidien/200710/dq200710a-eng.htm>

⁵ In 2006, Canada's Auditor General identified a need for changes to grant and contribution programs. The Independent Blue Ribbon Panel on Grant and Contribution Programs called for fundamental change in the way the federal government understands, designs, manages and accounts for its grant and contribution programs. In response, the Treasury Board of Canada released the Government of Canada's Action Plan to Reform the Administration of Grant and Contribution Programs in 2008. <https://www.canada.ca/content/dam/canada/tbs-sct/migration/ip-pi/reports-rapports/2008/ragcp-rapsc-eng.pdf>

social and environmental outcomes for Canadians. Breaking the current NPO “starvation cycle” would also stimulate productivity, innovation and further job creation.

We recommend that the federal government implement the following reforms:

- Require departments and agencies to cover the full administrative and staff costs associated with delivering the services funded in transfers to NPOs;
- Increase the value and quantity of wage subsidies and hiring grants that permit NPOs to retain or re-hire their employees; and
- Ensure that grant and contribution agreements cover a minimum of two years, renewable as appropriate.

Recommendation 2: Include not-for-profit and charitable organizations in consultations on pandemic response programs

NPOs have experienced substantial losses due to COVID-19⁶ and need to replace the lost revenue so they can continue serving the communities and causes hardest hit by the pandemic.

However, existing emergency and stimulus measures were designed for other sectors or are ill-suited to the actual needs of NPOs. In future, having NPO representatives at the table will help with program design; allow for more data-based and intersectional decision-making; strengthen the relationship between NPOs, government and policymakers; and ensure effective, efficient use of tax dollars.

We recommend that the federal government:

- Implement consultation policies that include regular, meaningful consultation with NPOs in the creation of all recovery programs with potential impacts on the NPO sector; and
- Implement Imagine Canada’s recommendation of establishing “a home in government for the sector.”

Recommendation 3: Invest in in-depth policy consultations with grassroots experts and community-based organizations

Environmental NPOs contribute invaluable expertise to Canadian governments and increase the quality of policy outcomes when they are meaningfully involved in the policy-making process. For example, RCEN and its members have contributed to key laws and policies including the *Canadian Environmental Protection Act*, the *Fisheries Act* and the Chemicals Management Plan, and advised the Canadian Environmental Assessment Agency on the new *Environmental Assessment Act*, its regulations and implementation.

⁶ Imagine Canada (2020), Sector Monitor. https://imaginecanada.ca/sites/default/files/COVID-19%20Sector%20Monitor%20Report%20ENGLISH_0.pdf

Community engagement is essential for research, planning, advocacy and implementation when it comes to cumulative environmental risks, because communities have unique knowledge about exposures experienced by residents.⁷

The federal government recognizes the importance of a whole-of-society approach to the 2030 Agenda.⁸ For this approach to be effective, small and medium-sized NPOs must have meaningful opportunities and resources to participate in meetings, consultation processes and program development. While smaller organizations are easily overlooked, they offer unique expertise and community-level insights. Since 1977, RCEN has served as a bridge for consultation between the federal government and grassroots NPOs, and similarly stands ready to support the 2030 Agenda and green economic recovery.

Consulting with diverse environmental NPOs helps uncover and prevent unintended consequences in policy initiatives. This will be crucial in creating a green economic recovery. Like the 2030 Agenda, a sustainable economic transition requires a “whole-of-environment” approach. We applaud the federal government’s focus on climate change prevention and mitigation, with the reminder that every part of the environment intersects with climate and society. The green economic recovery must account for impacts on natural resources and ecosystems - all of which have profound impacts on Canadians’ livelihoods and well-being.

We recommend that the federal government:

- Review its public consultation processes to ensure meaningful consultation with grassroots experts and community-based organizations;
- Establish selection criteria that ensure representation from NPOs of all sizes, and diverse perspectives on intersecting environmental and social issues; and
- Ensure that sufficient funding is available and accessible to enable NPOs to participate fully in consultations.

Recommendation 4: Invest in capacity-building for organizations advancing the Sustainable Development Goals (SDGs) and 2030 Agenda

Canadians want a sustainable economic recovery that sets us on track for a low-carbon economy, well-designed communities, clean water and healthy ecosystems. NPOs provide essential services in promoting and creating the conditions for these outcomes, but are increasingly under-resourced for the task. They face growing administrative and financial burdens, while core and government funding has dropped.⁹

⁷ Environmental Justice (2015), Engaging Communities in Research on Cumulative Risk and Social Stress-Environment Interactions. <https://www.liebertpub.com/doi/10.1089/env.2015.0025>

⁸ Government of Canada (2019), Towards Canada’s 2030 Agenda National Strategy. <https://www.canada.ca/en/employment-social-development/programs/agenda-2030/national-strategy.html>

⁹ Wellesley Institute (2009), Canada’s non-profit maze: A scan of legislation and regulation impacting revenue generation in the non-profit sector. <http://www.wellesleyinstitute.com/wp-content/uploads/2011/11/Canada%27s%20Non-Profit%20Maze%20report.pdf>

This presents obvious challenges to Canada's progress towards the 2030 Agenda. Where commitment to the SDGs has been matched by resources and effort, Canada has made great strides – for example, in designating Marine Protected Areas. However, in other areas, significant data and indicators for measuring progress on the SDGs still have not been developed.¹⁰ Several targets in the 2016-2019 Federal Sustainable Development Strategy were reported in 2018 as “Attention Required” indicating Canada struggled to achieve them.¹¹ The problem is not lack of civil society engagement or of organizations ready and willing to assist: in the 2019-2020 Funding Program Grant process, qualified applications outpaced available funds.¹²

With adequate financial and capacity-building support, NPOs can be the federal government's greatest ally in the achievement of the 2030 Agenda. We therefore recommend that the federal government:

- Increase the funds available through ESDC's SDG Unit; and
- Invest in capacity-building and core funding for NPOs that are advancing the SDGs and the 2030 Agenda.

Recommendation 5: Review Canada's 2030 Agenda for Sustainable Development priorities to ensure adequate investment in environmental sustainability

Human prosperity is inseparable from with protecting the planet. Economic, social and environmental targets are intertwined in the SDG framework, forming an 'indivisible whole'¹³.

Human-environment linkages are central to sustainable development¹⁴ and the environment is recognized as fundamental to many or all of the SDGs¹⁵. Therefore, there is a pressing need to enhance environmental protection in order to achieve the SDGs.

During public consultations on the draft 2019-2022 Federal Sustainable Development Strategy,¹⁶ Canadians emphasized the need for balance between economic growth and environmental protection. Priorities included climate change, clean energy, sustainable agriculture, reconciliation

¹⁰ Stats Canada, Sustainable Development Goals Data Hub. <https://www144.statcan.gc.ca/sdg-odd/index-eng.htm>

¹¹ Government of Canada (2018), Scorecard: Progress toward Our Targets. <http://www.fsds-sfdd.ca/index.html#/en/progress-report>

¹² RCEN submitted a proposal, but ESDC had insufficient funding for all applications.

¹³ Nilsson M, Griggs D, Visbeck M (2016), Map the interactions between sustainable development goals. <https://www.nature.com/news/policy-map-the-interactions-between-sustainable-development-goals-1.20075>

¹⁴ Diaz et. al. (2015), The IPBES Conceptual Framework — connecting nature and people <https://www.sciencedirect.com/science/article/pii/S187734351400116X?via%3Dihub>

¹⁵ UNEP (2015), Policy coherence of the sustainable development goals: a natural resource perspective. https://www.resourcepanel.org/sites/default/files/documents/document/media/policy_coherenceofthe_sustainable_developmentgoals.pdf

¹⁶ Achieving a sustainable future, draft federal sustainable development strategy for Canada 2019 to 2022. <https://www.canada.ca/en/environment-climate-change/services/sustainable-development/consultations-draft-federal-strategy-2019-2022/what-we-heard.html>

with Indigenous peoples, sustainable urban planning and ecosystem protection. Given the slow progress on the SDGs so far, there is an urgent need for projects that couple environmental and social SDGs for more efficient, holistic results.

We recommend that the federal government:

- Develop faster, more transparent timelines and mechanisms for achieving the environmental SDGs; and
- Strengthen financial support for NPOs that help Canadian communities, especially the most vulnerable, adapt to unavoidable climate change and other environmental impacts.

Sincerely,

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