



Green Budget Coalition's

Submission to

House of Commons Standing Committee on Finance

Pre-Budget Consultations in Advance of the 2021 Budget

August 7, 2020



The Green Budget Coalition (GBC) urges the Government of Canada to step up to this defining moment in history and the opportunities it presents by making climate and biodiversity objectives central to Canada's recovery plans.

This submission outlines the **Green Budget Coalition's four feature recommendations** for recovery and budget actions in 2020-21, addressing the Committee's theme of restarting the Canadian economy as it recovers from the COVID-19 pandemic:

- A) Stimulus Investments to Boost Clean Transportation**
- B) Building Retrofit Jobs - Investments to Reduce Emissions**
- C) Nature-Based Climate Solutions**
- D) Creating and Managing Protected Areas, including Indigenous protected areas and Guardians programs**

Much more detail on these recommendations, as well as many complementary recommendations (*listed farther below*), is available in the Green Budget Coalition's [*Preliminary Recommendations for Recovery and Budget Actions in 2020-21*](#).¹ We expect the Green Budget Coalition's revised, final *Recommendations for Budget 2021* to be available by mid-October 2020 at www.greenbudget.ca.

List of Feature Recommendations

A) Stimulus Investments to Boost Clean Transportation

Supporting Public Transit and Advancing Electrification

The Green Budget Coalition appreciates the government's announcement of \$1.8 billion in emergency support for public transit systems to replace farebox revenue during the pandemic.

The GBC further recommends, in accordance with recommendations from the Canadian Urban Transit Association and Federation of Canadian Municipalities, that the federal government:

1. Proceed with the permanent transit fund of \$3.4 billion, bringing up the start date to 2021. [INFC]
2. Fund a zero-emission bus procurement incentive program at **\$472 million annually for five years**. [INFC]

¹ <https://greenbudget.ca/preliminary-recommendations-2020-2021/>

Accelerating the Transition to Zero Emission Vehicles (ZEVs)

3. **\$150 million top-up** to the iZEV incentive program [TC]. Though approved for three years in Budget 2019, uptake in Year 1 suggests the program could run out of money in Year 2 without additional funding.
4. **\$300 million top-up** to the Zero Emission Vehicle Infrastructure Program [NRCan], which supports deployment of ZEV charging stations, to increase the federal government's contribution from 50% to 80% of costs for projects initiated by August 2021, and scale up the program. **\$10 million** for ZEV automotive technician training program. [ESDC]
5. **More favourable tax treatment** to attract investments in EV manufacturing, including domestic innovation/development of ZEV technologies, manufacturing of more EV models, and driving adoption in the Canadian market.

Reducing heavy-duty vehicle emissions

6. Establish financial incentives for fuel saving devices on heavy-duty trucks: **\$200 million over five years (2020-2024)** [NRCan]

Decarbonizing fuel supply

7. **\$100 million** top-up to the Electric Vehicle and Alternative Fuel Infrastructure Deployment Program [NRCan], which aims to establish a national network of clean fuel charging/refueling stations, to increase the federal government's contribution from 50% to 80% of costs for renewable, low-carbon fuel infrastructure projects initiated by August 2021, and to expand eligibility criteria to include biofuel blending infrastructure.
8. **\$350 million over five years** for a new low-carbon fuels innovation program, leveraging private capital, to accelerate expansion in clean fuel storage and distribution. [NRCan]

Pricing Road Infrastructure

9. Work with provinces to restructure infrastructure funding mechanisms for municipalities to better align incentives with smart growth principles.
10. Support municipal efforts (such as the City of Vancouver) to advance mobility pricing via special grants to support studies.
11. Undertake a comprehensive review of budgetary and regulatory mechanisms to ensure a climate lens and demand side management is incorporated into roads built with federal support.
12. Make ineligible for federal funding road projects or other transportation infrastructure that will lock-in or exacerbate pollution, GHG emissions and loss of natural habitat.

Budgetary implications: \$5 million [INFC]

B) Building Retrofit Jobs – Investments to Reduce Emissions

Recommended Investment:

\$5-10 billion for economic stimulus through climate resilient retrofit of Canada's buildings and homes [NRCan] and \$500M for workforce and supply chain development [ESDC, NRCan].

Here are three strategies to accelerate outlay and maximize climate and social benefits:

1) Enhance the proposed Greener Home initiative:

- Increase loan maximums to facilitate deeper retrofits, including EV charging and fuel switching. Pair the loans with grants covering a portion of the retrofit cost proportional to the carbon reduction achieved.
- Partner with provincial programs to deliver this program and provide top-ups for non-profit housing societies and low-income households.
- Create a dedicated channel for rental apartment owners to access the fund and adapt offering to this market to maximize impact for renters.

2) Enhance the National Housing Strategy funding:

Create a top-up fund for retrofits and new construction projects, funded through the National Housing Strategy co-investment fund, that achieve deep carbon reductions. Right now, projects accessing NHS funding must achieve at least a 25% reduction in carbon pollution, a modest improvement that leaves many opportunities for carbon reduction unfunded. Adding a top-up fund to enable societies to go directly to deep retrofits (60-80% GHG reductions) would seize opportunities that would otherwise be missed.

3) Increase the institutional and commercial retrofit rate by co-financing deep retrofits of public and commercial buildings:

The Canada Infrastructure Bank should develop a branch dedicated to the financing of energy retrofits in buildings to facilitate decarbonization of buildings and installation of EV charging infrastructure. This should include providing loan guarantees to de-risk private lending and green-bond backed grants to close the gap in the business case for deep retrofits.

C) Nature-Based Climate Solutions

1. **At least \$1 billion** to specifically harness the power of nature to meet our 2030 Paris Agreement GHG mitigation targets. If managed carefully to leverage opportunities at around \$50/tonne CO₂ eq, this could leverage 2 MT of GHG emission reductions a year. **Over 10 years** and leveraging funding and policies for other related activities, these investments can put us on a path to achieving increased emission reductions from LULUCF in 2030. [ECCC, NRCAN]
2. In addition to the federal government's current commitment to invest **as much as \$2 billion over ten years** in planting 2 billion trees over ten years for tree and forest restoration, the Green Budget Coalition recommends investing:
 - An additional **\$575 million over five years** for a **Federal Habitat Restoration Program**, to restore wetland, native grassland and meadowland habitat. [ECCC]

Finally, the Green Budget Coalition recommends investing in **Natural Infrastructure** by:

3. Replenishing and growing the Disaster Mitigation and Adaptation Fund (DMAF), while also adjusting the criteria to better allow natural infrastructure projects. **Recommended replenishment: \$1 billion over five years** [INFC];
4. Providing funding to Federation of Canadian Municipalities to support developing "natural asset assessments" and other capacity building and readiness partnerships needed to advance natural infrastructure. **\$16 million over four years**; and
5. **Investing \$20 million in 2020, ramping up to \$100 million per year for the subsequent four years (2021-2025)** for an Ecological Goods and Services Program for farmers and ranchers to support natural infrastructure and nature-based climate solution outcomes. [ECCC, AAFC]

D) Creating and Managing Protected Areas, including Indigenous Protected Areas and Guardians programs

Protecting Public Lands [ECCC, Parks Canada]

1. Deliver on commitment to protect 25% of Canada's land and freshwater by 2025 by investing **\$1.7 billion over five years**:
 - **\$700 million in the next two years (2020-2022)**
 - **\$1 billion over three years (2022-2025)**

2. **Lay out investment plans to deliver on the commitment to protect 30% of Canada's land and freshwater by 2030 by committing \$1.6 billion over the subsequent five years (2025-2030).**
3. **Continue necessary investments in protected area management of \$85 million per year ongoing.**

Protecting Oceans with Effective Marine Protected Areas [DFO, ECCC, Parks Canada]

4. For Oceans Act MPAs and MPA network planning: **\$185 million over 2020-2021, and then \$72 million per year ongoing.**
5. For National Marine Conservation Areas and marine National Wildlife Areas: **\$140 million over 2020-2021**, which may include stimulus funding, and then **\$53 million per year ongoing.**
6. For management of National Marine Conservation Areas and marine National Wildlife Areas: **\$20 million over the next two years (2020-2022)** and then **\$20 million per year ongoing.**

Establishing Indigenous Protected and Conserved Areas on Land and Water

Recommendations for investing in Indigenous-led economic and land/ocean-use planning and IPCAs are embedded in the above and other linked complementary Green Budget Coalition recommendations, regarding: Protecting Public Lands, Protecting Oceans with Effective MPAs, and Managing Healthy Oceans

Indigenous Stewardship & Guardians

7. **Indigenous-led** efforts such as the [*Indigenous Leadership Initiative*](#) and [*Land Needs Guardians*](#) are calling for significant new investments in Indigenous-led conservation, including land/ocean- use planning and the creation of new IPCAs managed by Indigenous Guardians. In the spirit of reconciliation, the Green Budget Coalition affirms its support for these efforts and encourages the Government of Canada to adopt their budget recommendations moving forward.

Full list of Green Budget Coalition recommendations for Budget 2021

As noted above, much more detail on the above recommendations, plus further complementary recommendations, is available in the Green Budget Coalition's [Preliminary Recommendations for Recovery and Budget Actions in 2020-21](https://greenbudget.ca/preliminary-recommendations-2020-2021/).² We expect the Green Budget Coalition's revised, final *Recommendations for Budget 2021* to be available by mid-October 2020 at www.greenbudget.ca.

The full Contents of the Green Budget Coalition's [Preliminary Recommendations](https://greenbudget.ca/preliminary-recommendations) follows:

1) Climate Action

A) Feature Recommendation: *Stimulus Investments to Boost Clean Transportation*

- Supporting Public Transit and Advancing Electrification (\$)
- Accelerating the Transition to Zero Emission Vehicles (\$)
- Reducing Heavy-Duty Vehicle Emissions
- Decarbonizing Fuel Supply
- Pricing Road Infrastructure

B) Feature Recommendation: *Building Retrofits Jobs - Investments to Reduce Emissions*

Complementary Climate Action Recommendations

- Phasing Out Fossil Fuel Subsidies
- Avoiding Taxpayer Liabilities for Small Modular Reactors
- Accelerating Renewable and Decentralized Energy (\$)
- A Future Beyond Fossil Fuels and a Just Transition for Workers and Communities (\$)
- Independent Monitoring of Methane Emissions
- Marine Shipping - Reducing Climate Impacts (\$)
- International Climate Finance
- Strengthening Carbon Pricing
- Helping Restaurants Reduce Reliance on Single-Use Plastics (\$)
- Sustainable Finance Report
- Ensuring Budget 2020 Reflects True Costs of Climate Change

2) Nature and Biodiversity Conservation

C) Feature Recommendation: *Nature-Based Climate Solutions* (\$)

D) Feature Recommendation: *Conservation and Protected Areas*

- Protecting Public Lands
- Protecting Oceans with Effective MPAs
- Establishing Indigenous Protected and Conserved Areas on Land and Water (\$)
- Indigenous Stewardship and Guardians (\$)

Complementary Nature Conservation Recommendations

Restoration

- Federal Habitat Restoration Funding (\$)
- Habitat Project Renewal Fund (\$)
- North American Waterfowl Management Plan Top-Up (\$)

² <https://greenbudget.ca/preliminary-recommendations-2020-2021/>

- Pollinator Conservation Initiative
- Investing in Communities by Protecting Canada's Freshwater (💰)
- Climate-Resilience through Natural Infrastructure Solutions (💰)
- Ecological Goods and Services Programming for Agricultural Lands (💰)
- National Wildlife Collision Reporting & Infrastructure (💰)
- Reinforcing Canada's Frontline of Defense against Wildlife Diseases
- Managing Healthy Oceans
 - Marine Spatial Plans & MPA Network establishment
 - Marine Monitoring, Research, Compliance and Enforcement (💰)
 - Increase fisheries science and management capacity to rebuild fish stocks and protect marine species-at-risk (💰)
 - Ensuring environmental sustainability within all aquaculture programs (💰)
 - Reducing spill risks and biodiversity impacts from marine shipping
- Expanding Ghost Gear Clean-Up (💰)
- Sustainable Agriculture
 - Supporting Environmentally Sustainable Land Use and Biodiversity
 - Re-establish a Public Plant Breeding System
 - Facility for Collection of Insects, Arachnids, & Nematodes (💰)
- Conserving Canada's Birds Across their Year-Round Range
- International Biodiversity Conservation
- Increasing Canada's Role in the IUCN

3) Other Environmental Priorities

- Establishing a Canada Water Agency
- Renewal of the Chemicals Management Plan
- Closing the Resource Gap at Health Canada's Pest Management Regulatory Agency
- Upgrading Enforcement of Environmental Laws
- Improving Environmental Data and Science to Support Evidence-Based Decisions
- Collaborating on Regional-Scale Environmental Governance
- First Nations Water and Wastewater Funding (💰)
- Making Budget 2021 a Canadian Well-Being Budget

Appendix 1: Transitioning to Environmentally Sustainable Land Management & Food Production in Canada in the next Canadian Agriculture Partnership & Business Risk Management Plan

(💰) - indicates recommendations with the potential to create many jobs

About



The **Green Budget Coalition**, active since 1999, brings together twenty-five of Canada's leading environmental and conservation organizations (*see logos on front cover*), 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.

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