



Possibility grows here.

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

THE GREENBELT FOUNDATION

Submitted August 2020



The Greenbelt Foundation recommends that the government create a coordinated approach to regional natural infrastructure (NI) across Canada to address the intersecting crises of COVID-19 and climate change. This would include:

1. Creating an ambitious new program to supplement existing infrastructure programs and allocating \$1 billion to fund natural asset projects across the country

- a. Assess and prioritize proposals based on their ability to create jobs and economic stimulus quickly as part of pandemic recovery efforts
- b. Target funding specifically to predominantly nature-based solutions (such as forests, wetlands), recognizing their unique value and needs within the larger Green Infrastructure stream that currently includes significant traditionally-engineered grey infrastructure
- c. Avoid replicating barriers to NI in existing programs (DMAF and ICIP), such as: high budget thresholds; reimbursement models that require community organizations to provide up-front expenditures; restrictions on types of projects that can be bundled together; and eligibility for large "green infrastructure" projects that are not nature-based solutions

2. Building capacity and eligibility across the country

- a. Fund and work with third parties to support development of knowledge and capacity for municipalities in transitioning to NI in their capital asset management plans, in order to mainstream its use
- b. Identify and support projects and programs with regional impact across watersheds and municipal boundaries by allowing and encourage bundling of proposals with cross-jurisdictional impact
- c. Mandate analysis in all municipal infrastructure proposals to determine the extent to which NI could reduce life-cycle costs, enhance the effectiveness of grey infrastructure, and provide ecological co-benefits

3. Getting NI projects moving quickly

- a. Fund and support not-for-profit organizations and other actors, like the Greenbelt Foundation, that have a demonstrated record of investment, existing partnerships, and capacity for NI planning and delivery
- b. Utilize anchor investments to provide certainty for NI proponents to move forward, and minimize thresholds for matched funding for smaller, community-based initiatives which may struggle to find matching dollars in the current financial climate
- c. Provide a minimum of \$54-million targeted to *Positively Green* in Southern Ontario's Greater Golden Horseshoe, a shovel-ready NI program that will protect communities, mitigate the impacts of climate change and build lasting resiliency
- d. Target a greater proportion of funding specifically to smaller and more diverse natural asset initiatives led by community-based groups and not-for-profit organizations

Pandemic and Climate: Two Crises, One Natural Solution

The COVID-19 pandemic has occurred in the midst of an ongoing, unresolved climate crisis. Natural Infrastructure presents the ideal solution for both crises. In 2019, the Greenbelt Foundation recommended that infrastructure and other federal programs must better target NI and that the federal government should allocate at least \$1B to NI/natural ecosystem restoration.¹ Similarly, over 40 NI stakeholder organizations co-signed a letter to the Prime Minister and his Cabinet in May 2020, making the case for accelerated, increased and sustained investments in NI.

There will never be enough concrete in Canada to solve our climate resiliency challenges with traditionally-engineered “grey” infrastructure. NI addresses a distinct government priority, and should a benefit from a distinct funding stream for climate-resilient initiatives accordingly.

The Government of Canada has often acknowledged the potential of NI. The Federal Minister of Infrastructure and Communities’ most recent Mandate Letter requires action on enabling funding for NI solutions. Investments in natural capital for ecosystem resilience and regeneration are among the top policies with a large return on investment being recommended by Task Force for a Resilient Recovery partners to support a resilient recovery and stronger economic future.²

How does NI advance pandemic economic recovery?

- ✓ Quick implementation
- ✓ Good jobs and local supply chains
- ✓ Local green tourism opportunities
- ✓ Cost avoidance for municipalities
- ✓ Reduced capital and operating costs of essential services

NI can be implemented quickly, under social distancing conditions, to provide rapid economic stimulus, especially when it is used to supplement traditionally-engineered “grey” infrastructure.

Globally, investments in natural capital could generate USD\$10 trillion in economic value per year to 2030 and is a jobs-first strategy.³ In Ontario alone, the green infrastructure sector (of which NI is a sub-set) shows significant growth potential of 22-73% under business-as-usual and achievable growth scenarios. Under a stretch scenario, the sector could potentially generate \$18.56 billion in gross output (revenues), \$10.02 billion in direct GDP, and 250,400 jobs by 2030 (direct, indirect, and induced).⁴

¹ Greenbelt Foundation, *Written Submission for the Pre-budget Consultations in Advance of the 2020 Budget (Fall 2019)*.

² Partner Submission for Task Force for a Resilient Recovery, “The Resilient Recovery Framework”, Smart Prosperity Institute, May 19, 2020.

³ World Economic Forum, *New Nature Economy Report II: The Future of Nature and Business*, 2020.

⁴ An Economic Impact Assessment of the Green Infrastructure Sector in Ontario, prepared by Delphi Group for Green Infrastructure Ontario and Greenbelt Foundation (2020)

In addition to ecological benefits, many NI projects provide tourism and recreation opportunities within Canada through access to local green space, bolstering the tourism sector and rural economies, which have been hard hit by the pandemic.

NI is needed to help communities address climate change and municipal finances in the long term. Work to date by The Greenbelt Foundation and its partners has demonstrated the effectiveness of NI in complementing and supplementing grey infrastructure and reducing life-cycle costs, while ecological co-benefits.

IN 2018

THE NATURAL HERITAGE SUB-SECTOR OF ONTARIO'S GREEN INFRASTRUCTURE SECTOR WAS RESPONSIBLE FOR 331.4M IN DIRECT GDP AND 5,321 JOBS

WHEN INDIRECT AND INDUCED IMPACTS ARE FACTORED IN, THE SECTOR WAS RESPONSIBLE FOR NEARLY 7,510 JOBS AND \$553.8M IN GDP

BY 2030

ONTARIO'S GREEN INFRASTRUCTURE SECTOR COULD POTENTIALLY GENERATE

- ✓ \$18.56 BILLION IN GROSS OUTPUT (REVENUES)
- ✓ \$10.02 BILLION IN DIRECT GDP
- ✓ 250,400 JOBS (DIRECT, INDIRECT, INDUCED)

How does NI advance climate resilience?

- ✓ Effectively delivers essential services and reduces disaster risks from flooding, forest fires, heat waves and other climate risks
- ✓ Provides greater resiliency than grey infrastructure under future climate change scenarios
- ✓ Stops further degradation of ecosystems and biodiversity
- ✓ Provides public health benefits through added greenspace and access to nature

The Government of Canada's commitment to driving a low carbon and resilient economy is set out in the Pan-Canadian Framework on Clean Growth and Climate Change. The Framework states that "taking strong action to address climate change is critical and urgent."⁵

DURHAM REGION HAS IDENTIFIED THE CONSIDERABLE RETURN-ON-INVESTMENT POTENTIAL OF NATURAL INFRASTRUCTURE PROJECTS. FOR EXAMPLE, THE BROCK LANDS RESTORATION PROJECT IN THE CITY OF PICKERING WAS ESTIMATED TO HAVE TOTAL ECOSYSTEM VALUATION OF \$60-90 MILLION OVER 50 YEARS

- IAN MCIVEY, MANAGER OF SUSTAINABILITY, REGION OF DURHAM, ONTARIO

Investing in NI at the community level is one of the most effective means to address the climate and biodiversity emergencies while generating economic benefits far exceeding the cost of inaction. The UN Environment Programme has estimated that nature-based solutions for climate change, which protect, sustainably manage and restore natural ecosystems while addressing societal challenges, have the potential to reduce global greenhouse gas emissions by more than a third of the 2030 Paris Agreement goals.⁶

⁵ Pan-Canadian Framework on Clean Growth and Climate Change, page 9.

⁶ UN Environment Program. (2019). The UN Environment Programme and nature-based solutions. <https://www.unenvironment.org/unga/our-position/unep-and-nature-based-solutions>

Leadership of the Greenbelt Foundation and the NFP sector

NI solutions are ready to be implemented after years of research, development of methodologies and pilot projects that demonstrate their value to communities. Organizations like the Greenbelt Foundation, Municipal Natural Assets Initiative, Ducks Unlimited and others have identified millions of dollars of NI projects that could begin quickly once funding is available, and be completed within three years as part of pandemic recovery efforts.

Natural Infrastructure Ready to Go: *Positively Green*



Positively Green is a program of more than 80 NI projects that invests in nature to protect communities, mitigate the impacts of climate change and build resiliency. It advances innovations in recognizing the value of NI – such as wetlands and forests – to address climate risks and vulnerabilities and achieve significant co-benefits.

The program has been designed to start quickly and contribute to economic recovery from the COVID-19 pandemic and create jobs in Southern Ontario communities.

Projects include multi-sector partnerships spread across 7 regional governments, 5 County governments and include multiple lower-tier, mostly rural municipalities with populations of less than 50,000 to 100,000.

Ontario's Greenbelt is an ideal laboratory for NI as a national program, with expertise already developed and projects underway in partnering municipalities. Its near-urban location builds resiliency in a geography heavily threatened by the loss of NI and biodiversity.

Project dashboard		Individual project budget range	# Projects	Percent of program
No. of Projects	80+			
Total Project Cost	\$85 million	\$1-50,000	17	20.48%
Matching Funding	\$22 million	\$50,001-150,000	13	15.66%
Jobs Impact	2,085 FTE	\$151,000-250,000	11	13.25%
Economic Impact	\$210 million	\$251,000-500,000	20	24.10%
Shovel ready timeline		\$500,001-1,000,000	7	8.43%
Project activities in initial 6-12 months:		\$1,000,001-5,000,000	10	12.05%
2020: 55.4% planning 29% construction		\$5,000,000+	5	6.02%
2021: 83% of all projects are active		Total	83	100.00%

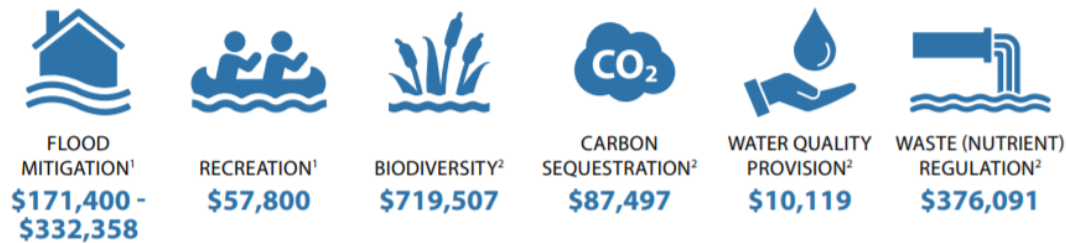
Projects provide water management, heat management, public well-being (i.e. mental health), and enhance existing/degraded ecosystem services by:

- Regulating water quality and supply
- Moderating extreme events i.e. flooding (riverine, overland)
- Regulating air quality, stormwater infiltration, and increasing natural cooling effect
- Providing access to nature, physical activity
- Increasing ecosystem services
- Retrofitting/naturalizing existing infrastructure

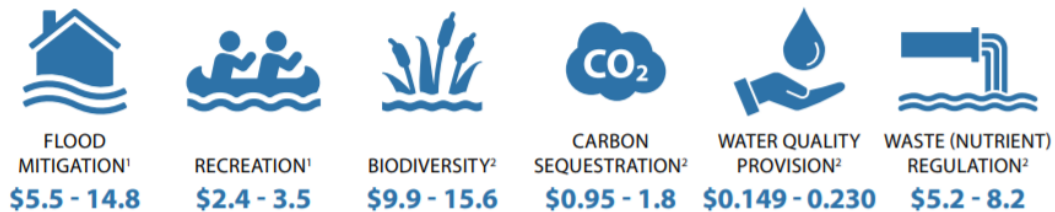
NI demonstration projects funded by the Greenbelt Foundation

Saltfleet (Hamilton, ON)

Annual value of ecosystem services



50-year net present value (NPV) range³ of services in million \$

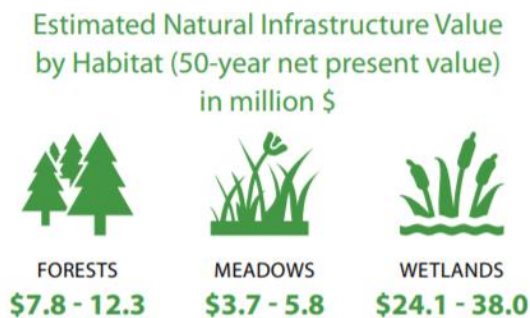
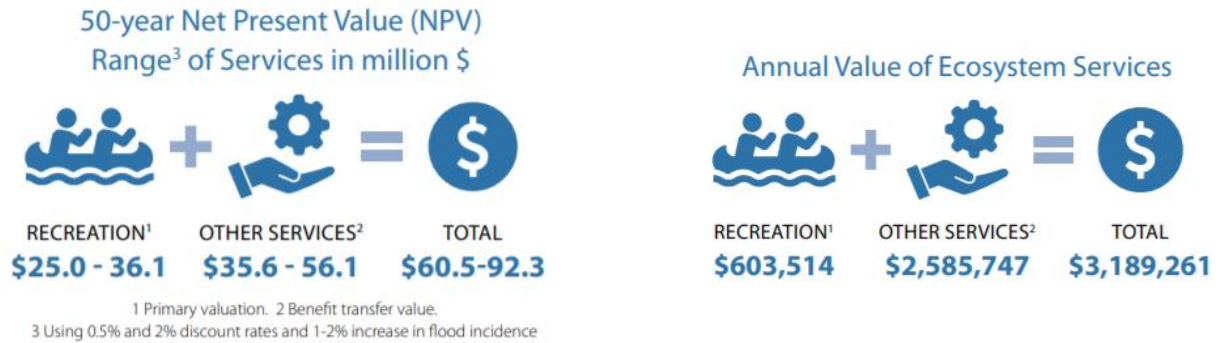


1 Primary valuation. 2 Benefit transfer value. 3 Using 0.5% and 2% discount rates and 1-2% increase in flood incidence

Saltfleet is a new conservation area above the Niagara Escarpment in the Upper Stoney Creek and Upper Battlefield Creek watersheds in the east end of Hamilton that will:

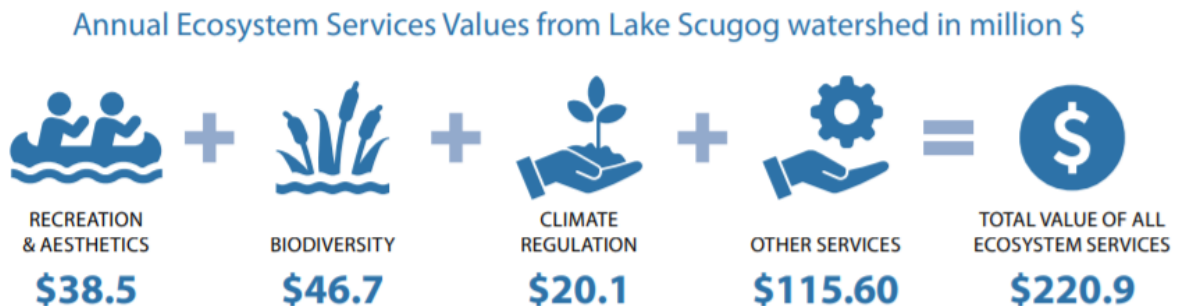
1. Reduce downstream flood risk to residential and commercial properties by enhancing and enlarging existing wetland areas, creating new wetland areas and restoring the natural features and functions of watercourses in the area
2. Support community well-being by creating new recreational opportunities and linking to the Dofasco Trail
3. Support biodiversity by creating new wildlife habitat and connective corridors to other local conservation areas.

Brock Lands Restoration



About 1.12 million people live within 20 km of Brock Lands. The population of this region is relatively young and growing, suggesting an increased need for recreational greenspaces. In addition to recreational amenity investments, a plan for ecological restoration has been developed.

Lake Scugog Enhancement Project



The Lake Scugog project entails the one-time removal of sediment and invasive aquatic plant species, the installation of storm water management features and the construction of new wetlands and shoreline extensions to naturalize the habitat and enhance recreational opportunities. This project will:

1. Help protect local tourism and recreation, and ultimately the economic value associated with people's use and enjoyment of the lake

2. Address water quality issues, while managing the amount of excess nutrients and invasive species in the lake
3. Create new wildlife habitat and recreational amenities

Key Opportunity for the Government of Canada

NI presents the government a timely opportunity to address the twin crises of pandemic and climate change. The Greenbelt Foundation's independent and collective partner analysis of important existing programs such as DMAF and ICIP (Green Stream), suggest that a dedicated funding stream for climate-resilient NI is the best approach to ensuring NI's potential is realized. This funding should supplement rather than replace existing programs, which present barriers for smaller, nature-based solutions. These barriers include: high budget thresholds; reimbursement models that require community organizations to provide up-front expenditures; and eligibility for large "green infrastructure" projects that are not nature-based solutions, but nevertheless attract the lion's share of funding.

In addition, provincial resources will likely be strained meeting the aggressive requirements and targets of existing programs. The Government of Canada has the immediate ability to take the lead in ensuring its priorities are reflected in its programs and adequately supported both financially, and administratively. Opportunities abound to work directly with the not-for-profit sector, municipalities, and other actors to get the job done. The Greenbelt Foundation looks forward to continuing discussions on how best to be a constructive partner in battling climate change during Canada's economic recovery from COVID-19.