



Submission to the House of Commons Standing Committee on Finance:
Priorities for the 2016 Federal Budget

Ducks Unlimited Canada
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Ducks Unlimited Canada (DUC) has been Canada's leader in wetland conservation since our founding in 1938. Working in partnership with all levels of government, industry, NGOs, and with the active support of more than 110,000 Canadians, we have conserved nearly 2.6 million hectares of wetland habitat across the entire Canadian landscape.

In this current challenging economic climate, governments everywhere are striving to use limited resources more efficiently, while at the same time facing pressure to remedy a mounting list of new challenges. This includes aging infrastructure, climate change, adapting to the impacts of severe weather, and threats to Canada's biodiversity and the land that supports it. To effectively address these priorities, we believe that governments must make smart strategic financial investments that address multiple challenges.

With an estimated \$22 in social return-on-investment for every \$1 invested in DUC's conservation work¹, there is strong evidence that conserving and restoring wetlands is one of the best ways to enhance Canada's social, economic and ecological wellbeing.

Wetland conservation is an effective job creator and driver of economic growth. It also provides Canadian communities with valuable green infrastructure to mitigate the effects of floods and drought, to purify our air and water, and to keep our watersheds free of agricultural run-off and other contaminants. These are the kinds of multiple benefits that public investments must be required to produce.

In anticipation of the 2016 Budget, we are pleased to provide recommendations for concrete actions that the federal government can take right away to enhance Canada's aging infrastructure, offset or adapt to the impacts of climate change, increase the safety of flood-prone communities, and support job creation and economic growth. At the same time, these recommendations will restore and protect critical wetland habitat, which serves as the ecological home to hundreds of species including a disproportionate number of those that are threatened or endangered.

DUC recommends that the Government of Canada consider including or renewing the following items in the coming 2016 federal budget:

- \$250 million in funding for a federal Wetlands Restoration & Ecological Goods and Service Initiative on private land:**

Private lands in Canada contain some of the most unique and ecologically valuable wildlife habitat in North America. Frequently, they are home to a disproportionate number of threatened or endangered species as they are often located in regions of the country that are highly pressurized by human activity.

¹ Anielski, Mark et al. *A Genuine Return on Investment: The Economic and Societal Well-being Value of Land Conservation in Canada (Executive Summary)*. February 2014, p. 5 - <http://www.anielski.com/wp-content/uploads/2014/07/14-03-31-DUC-A-Genuine-Return-on-Investment-Exec-Summ1.pdf>

In addition to wildlife benefits, these habitats provide critical ecological goods and services such as floodwater attenuation. They also provide habitat for a disproportionate number of threatened or endangered species that reside in many of the southern grassland and southern forestland ecosystems such as the remnant Carolinian forests of southern Ontario and the Gary Oak ecosystem on Vancouver Island.

The current suite of federal programs aimed at private land conservation are targeted and effective, particularly the Natural Areas Conservation Program, the National Wetland Conservation Fund, the Habitat Stewardship Program, and Canada's continued commitment to the North American Waterfowl Management Plan. These should be retained. However, landscape-scale solutions, access to lost or degraded habitats on private land, and the ability to retain the ecological goods and services on these private lands remain recurring challenges for governments and conservation organizations alike. This recommendation seeks to address these gaps, while working in concert with current programming.

A 2014 study from University of Alberta economist Mark Anielski found that the wetlands conserved by DUC generate an estimated \$4.27 billion worth of unpriced ecological services annually², ranging from flood mitigation to water filtration to carbon capture and storage.

Yet despite these proven benefits to our economy and to the safety and wellbeing of our communities, Canada is currently losing almost 12,120 hectares of wetland habitat every year.

DUC recommends that the Government of Canada implement a five-year \$50 million per year (\$250 million total) initiative in matching federal funds for:

- **The restoration of lost or degraded wetland habitat located on private lands, and of the ecological goods and services they provide, and**
- **Compensation for landowners who maintain these restored wetlands on their property through long-term conservation easements.**

Through this initiative, partners, including conservation groups with secured matching funds, would work with eligible landowners to identify conservation enhancement opportunities on their industrial, farm or recreational properties. As required, they would undertake any necessary habitat improvements to restore the lost or degraded ecological and economic values of the wetland and upland habitat.

Landowners would receive compensation for conserved and restored habitat on their property through a funding formula based on its assessed market value. They would retain full legal rights to their property, including land identified under the conservation easement, and would be able to continue making productive use of their land in accordance with the terms of the conservation agreement. Regular monitoring and reporting requirements would ensure that conservation objectives were achieved.

² Ibid, p. 7

Funding eligibility would be contingent on rigorous criteria, with compensation scaled according to public policy objectives. Higher-priority ecological services (e.g. flood mitigation in a high-risk area) would be compensated at a commensurately higher rate.

Given the significant costs in both time and resources of restoring degraded wetlands, incentivizing the protection of existing wetlands on the working landscape is essential to ensure the long-term sustainability of these vital ecosystems, and maintaining the health and safety of Canadian communities.

While this \$250-million investment would not solve the ongoing crisis of wetland loss in Canada, there is no question that it would be a significant step toward our goal of “no net loss of wetland habitat,” and ultimately of achieving net habitat gains.

- **Informed and efficient use of land:** An accurate, comprehensive valuation of Canada’s current wetland base would enhance and support land-use planning decisions at all levels of government, ensuring that both the economic productivity and ecological integrity of the landscape are optimized.
- **Enhancing Canada’s infrastructure and the safety of our communities:** Working with landowners to maintain these vital ecosystems, the federal government would reduce the need for investment in built infrastructure and costly natural disaster recovery, particularly flooding, while at the same time supporting biodiversity and species at risk.
- **Supporting job creation and economic growth:** Wetland restoration would increase economic activity in rural communities, creating new jobs through additive construction work throughout the calendar year.
- **Generating \$11 billion dollars in new ecological goods and services:** This five-year, \$250 million dollar investment, when matched at a 1:1 rate by non-federal government funds, will generate \$100 million/year in new additive conservation that also generates \$11 billion in ecological goods and services for Canada, including carbon capture and sequestration and flood mitigation

2. **\$50 million over five years for the completion of the Canadian Wetland Inventory and establishing a National Wetland Monitoring Program:**

- **\$6 million annually (\$30 million total) to complete the Canadian Wetland Inventory**

The Canadian Wetland Inventory (CWI) is an essential tool for identifying and tracking the presence of wetlands on the Canadian landscape, providing valuable open data to governments, industry and the public to help them avoid and minimize the environmental impacts of development. While considerable work has been done on the CWI to date, many information gaps remain, limiting its usefulness as a land-use planning tool. A completed CWI would provide a strong baseline of information in all provinces and territories, encouraging fair competition and facilitating the use of consistent best management practices across Canada.

- **\$4 million annually (on an ongoing basis) to enhance the National Terrestrial Monitoring Framework for monitoring wetlands**

The CWI will provide the baseline for monitoring trends in wetland loss. However, cost-effective monitoring requires a different approach and a different set of tools than broad-scale inventory.

A national terrestrial monitoring framework (NTMF) has been developed and is being used by Agriculture and Agri-Food Canada (AAFC) and the Canadian Forest Service (CFS) for monitoring forested and agricultural landscapes. Building upon existing Environment Canada habitat monitoring, there are opportunities to integrate wetland monitoring into this framework.

Beyond improvements in monitoring capacity, the integrated approach will provide economies of scale and enhanced sharing of science, technology, and data.

- **Improving Canada’s productivity:** Enhancing the wetland inventory and monitoring framework would increase the productivity and competitiveness of Canada’s natural resource sector, providing clarity and certainty for the management of sensitive ecological features. This information would be available to all proponents and regulatory agencies, streamlining the project permitting and approval process.
- **Enhancing Canada’s infrastructure and the safety of our communities:** A comprehensive CWI would allow communities to plan for the retention of their green infrastructure through proactive land-use planning. This would help maximize human and social health and wellbeing, and reduce communities’ reliance on costly engineered infrastructure, which provides limited ecological goods and services.
- **Supporting job creation and economic growth:** A more effective and comprehensive wetland inventory and monitoring program would help to safeguard resource sector jobs by promoting the safety and sustainability of the sector, and would create new opportunities related to the development of industry best management practices.

3. Establishing a \$115 million Conservation for Community Resiliency Initiative

Since the federal Disaster Financial Assistance Arrangements (DFAA) program was established in 1970, the federal government has paid more than \$3.4 billion to assist provinces and territories with the costs of disaster response and of returning infrastructure and personal property to pre-disaster condition³. As the impacts of global climate change accelerate, the increasing incidence and severity of extreme weather events has forced the federal government to revise the DFAA funding formula, effectively doubling the eligibility threshold.

³ Government of Canada: Disaster Financial Assistance Arrangements (DFAA)
<http://www.publicsafety.gc.ca/cnt/mrgnc-mngmnt/rcvr-dsstrs/dsstr-fnnci-sstnc-rrngmnts/index-eng.aspx>

A 2014 University of Saskatchewan study found that wetland loss within the Smith Creek sub-watershed over the past 50 years exacerbated the impact of the 2011 Assiniboine River flood in that region by as much as 32%⁴. The cost of clean-up and recovery from that flood totaled more than \$1.2 billion, with DFAA funding of \$300 million, plus a further federal contribution of \$100 million just for the construction of an emergency channel to drain Lake St. Martin⁵.

Providing municipalities with financial incentives for strategic wetland restoration through a new **Community Resiliency Initiative** would save the federal government millions of dollars each year in DFAA payments and other emergency measures.

DUC asks the Government of Canada to consider a \$120 million, five-year Conservation for Community Resiliency Initiative, providing:

- **\$20 million annually for five years** for municipalities in flood-prone areas to undertake wetland conservation, restoration and enhancement projects aimed at mitigating disaster impacts
- **\$2 million annually for five years** for monitoring program success and for the research and development of best practices to guide future program spending in support of this initiative
- **\$5 million one-time investment** in high-resolution GIS mapping of wetlands in flood-prone areas of the Prairies.
 - **TOTAL: \$115 million over five years**
- **Improving Canada's productivity:** Natural disasters such as the devastating 2013 Alberta floods cost our economy billions of dollars in lost productivity each year, as businesses are forced to close, property and equipment are destroyed, and transportation networks are disrupted. Minimizing the impacts of natural disasters will be critical to maintaining and improving Canada's productivity as climate change accelerates.

⁴ Pomeroy, J.W. et al, "Improving and Testing the Prairie Hydrological Model at Smith Creek Research Basin", University of Saskatchewan Centre for Hydrology, 2014 (p. 3) http://www.usask.ca/hydrology/reports/CHRpt14_PHM_SCRB.pdf

⁵ "Province eyes permanent Lake St. Martin flood channel" – CBC News, May 29 2013, <http://www.cbc.ca/news/canada/manitoba/province-eyes-permanent-lake-st-martin-flood-channel-1.1349357>

- **Enhancing Canada’s infrastructure and the safety of our communities:** Traditional disaster mitigation infrastructure is costly and time-consuming to build and maintain. Supporting and enhancing the landscape’s natural ability to retain water is in many cases a far more cost-effective solution, and one that provides numerous co-benefits including recreational opportunities, biodiversity, and aesthetic values.
- **Supporting job creation and economic growth:** Taking a broader approach to building sustainable community infrastructure will create more diverse types of employment opportunities. A strong conservation industry and a focus on green infrastructure solutions also helps position Canada as a world leader in green innovation.

DUC appreciates the opportunity to provide input during the 2016 pre-budget consultation process. If you have any questions, or would like any additional information, please do not hesitate to contact:

James W. Brennan

Director of Government Affairs

Ducks Unlimited Canada

612-350 Sparks St.

Ottawa, Ontario K1R 7S8

j_brennan@ducks.ca

613-565-2525