

Towards a 2030 Biodiversity Strategy and Accountability Act for Canada

Submission to the Government of Canada's consultations towards a National Biodiversity Strategy and Action Plan under the Kunming-Montreal Global Biodiversity Framework

In December 2022, Canada hosted the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity (CBD), on behalf of the conference's Chinese presidency. Already two years behind schedule, COP15 landed a historic agreement, by 196 countries, to protect nature – the <u>Kunming-Montreal Global Biodiversity Framework</u> (KMGBF).

The KMGBF represents "an ambitious path forward for our planet" and gives countries "the tools to turn the tide" on biodiversity loss. The potential of this agreement to contribute to human wellbeing, a healthy planet and economic prosperity depends on countries' adopting KMGBF-aligned National Biodiversity Strategies and Action Plans (NBSAP), which they have agreed to do by the end of 2024, ahead of COP16, and acting swiftly towards their implementation. As the host of COP15, and as a member of the High Ambition Coalition for Nature and People, the G7ⁱ and other leading multilateral bodies, Canada faces a historic opportunity to demonstrate further leadership by adopting a strong NBSAP as early as possible.

Towards this end, Canada's Minister of Environment and Climate Change has <u>committed</u> to working with rightsholders and stakeholders to develop a whole-of-government national biodiversity strategyⁱⁱ and accountability act towards Canada's biodiversity targets, including 25x25 and 30x30. The Minister also signaled his intention to review subsidies that are harmful to biodiversity. Nature United <u>welcomed</u> these commitments, and looks forward applying our conservation science, policy expertise and on-the-ground experience in Canada and globally to support their achievement.

Properly designed and implemented, <u>Canada's 2030 Biodiversity Strategy</u> and accountability act have the potential to:

- Deliver on nature protection in a way that advances reconciliation, while supporting Indigenous-led conservation economies that recognize and reward stewardship as a cultural value and public good.
- Accelerate the uptake of sustainable practices in agriculture, forestry, and fisheries, to ensure the future competitiveness and vitality of key economic sectors.



- Align public spending and policymaking with federal nature and biodiversity targets, while catalyzing Canada's nature-positive economic future.
- Place nature protection on comparable footing with climate action, sending a clear signal that the climate and biodiversity crises are interdependent and must be addressed in tandem.
- Build synergies with, and align commitments made in other multilateral environmental agreements, such as the <u>Ramsar Convention</u>, the <u>Convention on the Conservation of</u> <u>Migratory Species</u>, the <u>Convention on International Trade in Endangered Species</u>, and the <u>Convention on the Law of the Sea</u>.

The following brief outlines key priorities, supported by Nature United and our global affiliate, that should be reflected the 2030 Biodiversity Strategy and accountability act. Properly implemented, the recommendations below could be instrumental in enabling and encouraging progress by governments, rightsholders and stakeholders across Canada, while providing clear expectations to guide and leverage contributions from key economic sectors.

Effective co-governance with Indigenous peoples is critical to biodiversity protection

Conservation must be Indigenous-led and go hand-in-hand with broader reconciliation efforts

As of December 2022, 13.6% of Canada's national terrestrial area, and 14.7% of marine areas were under some form of <u>protection</u>. These figures must double to meet Canada's 2030 target. With over <u>40%</u> of lands and waters subject to Indigenous title, future progress hinges on Crown governments' recognition of Indigenous governance, jurisdiction and title, and effective co-management of protected lands and waters with Indigenous governments. The achievement of Canada's conservation targets also requires a new approach for funding and supporting Indigenous communities' articulation, planning, implementation, and stewardship of self-determined land and water use plans over time. Finally, it requires adapting outdated systems and implementing new approaches that are consistent with Indigenous communities' self-determined economic development priorities, and that support the leadership of current and future stewards with strong cultural ties to place and connection to lands and waters.

The following recommendations are consistent with the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report, and the <u>Action Plan</u> for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act. They should be developed and implemented through a distinctions-based lens, under the direction of National Indigenous Organizations and other Indigenous governments and organizations.



Recommendations:

- 1- Establish long-term, flexible funding mechanisms to provide for both the establishment and long-term stewardship of Indigenous Protected and Conserved Areas (IPCAs).^{iii, iv, v} Existing short-term, project-focused 'program funding' models fall short of offering the certainty that communities need to invest in the articulation, implementation, and stewardship of their land and water use plans over time. Permanent financing arrangements including endowment funds and Project Finance for Permanence (see Box 1) co-designed with Indigenous peoples and managed and implemented by Indigenous-led institutions, can provide the confidence and predictability project proponents need to embark on long-term conservation initiatives that uphold their socio-economic and cultural values.^{vi} Such funding opportunities need to be flexible enough to be tailored to the needs of all Indigenous Nations who want/need IPCAs.
- 2- Identify and eliminate legislative and policy barriers that hamper Indigenous authority and decision-making in their territories.^{vii, viii} Indigenous land and water use visions and plans continue to be stalled by resource-intensive processes and conflicting Crown government mandates. A whole-of-government effort to build Nation-to-Nation and government-to-government relations, in line with Article 26 of the United Nations Declaration on the Rights of Indigenous Peoples,^{ix} would enable policies and regulations to be optimized to ease pathways for Indigenous peoples to develop and advance land and water use plans on their own terms.
- **3-** Expand durable funding available to support Indigenous Nations' stewardship priorities and capacity.^{x, xi} Indigenous-led stewardship goes beyond the establishment and management of IPCAs. Insufficient and constrained funding impacts communities' ability to plan for continuous and expanded programming and places an administrative burden on staff. Too often, limited capacity is diverted from stewardship priorities towards applying for funding, filling funding gaps, maintaining funder relationships, and completing onerous reporting. Insufficient funding also means that youth-related program outcomes are not being met to their fullest extent (e.g., limited numbers of youth being able to participate, or youth missing out on experiences communities have articulated as important for the development of their future generations of leaders). Long-term stewardship depends on sustainable funding that Indigenous communities can direct towards capacity- and leadership-building priorities.
- 4- Elevate Indigenous land use rights, the duty to consult, FPIC, and ecological integrity as prerequisites of mineral development.^{xii, xiii} A growing body of <u>scholarship</u> and <u>legal</u> challenges confirms that the "free entry" system governing mining and mineral claims under many provincial mining acts is incongruent with the duty to consult required under <u>section 35</u> of the <u>Constitution Act</u>, 1982, and the Free, Prior, Informed Consent (FPIC) standard of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). Moreover, Indigenous governments seeking to establish protected areas in their territories may be burdened with buying out mining claims. Finally, mining operations leave behind environmental contaminants that endanger watersheds, wildlife habitats, and natural areas of value to Indigenous peoples and all Canadians. As governments in Canada advance efforts to reconcile law with UNDRIP, and to bring greater granularity to



the definition of IPCAs and legal weight and accountability to the polluter pays principle^{xiv}, the development of a 2030 Biodiversity Strategy and accountability act represents an opportunity to bring consistency to the ways in which Indigenous rights and ecological integrity are upheld and enforced, providing certainty for mining industry actors, Indigenous Governments and all Canadians alike.^{xv}

Box 1: Financing Indigenous-Led Conservation at Scale Spotlight on Project Finance for Permanence

First developed in the 2008 Great Bear Rainforest Agreements, the Project Finance for Permanence (PFP) model is a proven tool for financing large-scale conservation projects over time. By anticipating and accounting for long-term financing needs before the implementation of conservation projects, PFPs provide for equitable and integrated Indigenous-managed finance and long-term funding for conservation, stewardship, and sustainable local economic development.

Under the Great Bear Rainforest Agreement, Canada and British Columbia each contributed \$30 million, with philanthropic partners providing a \$60 million match. The initial \$120 million raised from philanthropic and public sources has been leveraged threefold, with \$361 million invested to date.

These funds have supported the delivery of large-scale conservation and cultural revitalization alongside sustainable economic development and diversification. Between 2008 and 2022, Coast Funds delivered \$109.2 million towards 439 stewardship and economic development projects. Through these investments, First Nations in this region have:

- Created 1,253 new, permanent jobs and invested \$63.5 million in local salaries.
- Conducted 389 research and habitat restoration projects, benefitting 75 different species.
- Launched, acquired, and expanded 123 businesses, in sectors ranging from ecotourism to sustainable energy.
- Established 18 regional monitoring and Guardian Watchmen programs, which operate across more than 7 million hectares of land and marine territory.
- Generated \$8-10 million annually in carbon credits.

Inspired by these results, PFPs have become a conservation financing model of choice in six countries worldwide, as well as four other large-scale Indigenous-led PFP projects in Canada.



Reorient public spending and decision-making toward naturepositive outcomes

Better deployment of existing funds, and smarter policy and investment choices, can shift the flow of capital away from harmful behaviors toward outcomes that benefit nature.

Current spending on practices that degrade nature far outstrips spending on those that can repair it. Globally, an estimated US\$1.8 trillion per year is spent on subsidies that are harmful to nature.^{xvi} That stands in contrast to the approximately US\$120-140 billion spent each year on repairing nature. Although no aggregate of environmentally harmful subsidies (EHS) has been produced for Canada, recent innovations in federal subsidy and tax reform, budgeting and policymaking, and in the use of green financial products have demonstrated their potential for steering economies towards climate neutrality. These innovations must now be expanded to encompass biodiversity values, to reorient the flow of public capital, and to catalyze new nature-positive economic opportunities.

Recommendations:

- 1- Develop a national biodiversity finance plan.^{xvii} To meet the ambitions of the KMGBF, a coherent plan to increase the level of financial resources flowing to nature-positive outcomes is required. This plan should detail biodiversity financing needs for reaching Canada's KMGBF targets, a commitment to annual increases in public finance for biodiversity to 2030, and the mechanisms by which the Government of Canada will catalyze new investments to achieve these targets. Building on the <u>Canada Growth Fund</u>,^{xviii}Net Zero Accelerator Initiative, and Nature Smart Climate Solutions Fund, Canada should marshal the full suite of tools available, including blended finance, impact funds, biodiversity bonds, payments for ecosystem services, and offset mechanisms, to de-risk and spur investments in the nature-positive economy.
- 2- Articulate a plan to eliminate environmentally harmful subsidies. The single biggest opportunity for catalyzing a nature-positive economy lies in redirecting harmful subsidies.^{xix,xx} These include direct transfers, tax expenditures, and the socialization of private risk leading to environmentally harmful behaviours in agriculture, mining, forestry and fisheries. The Government of Canada should undertake to identify, and articulate a plan to phase out, all environmentally harmful subsidies by 2024. It should commit to completing the implementation of this plan by 2027.
- **3- Apply an Integrated Climate and Nature Lens to federal policy and budgets.** The Government of Canada's Integrated Climate Lens^{xxi} should be expanded to include assessments of the potential impacts of federal policy and decision-making on nature. The Integrated Climate and Nature Lens should apply a robust mitigation hierarchy^{xxii} to ensure that all federal department spending, first, avoids impacts to critical natural habitat, then minimizes and restores such habitats, and, lastly, implements biodiversity offsets where necessary to achieve no net biodiversity loss or, where possible, net gain. Further, the Integrated Climate and Nature Lens should be part of the <u>Impacts Reports</u> included in Federal Budgets.



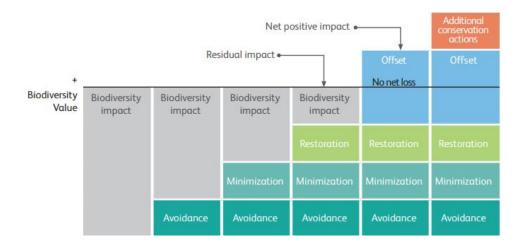


Fig. Applying the mitigation hierarchy for no net loss or a net gain of biodiversity xxiii

Stimulate nature-positive economic opportunities in agriculture, forestry, and fisheries

Enabling policies, data and research, and innovative financing and risk management mechanisms, can accelerate and scale the use of Natural Climate Solutions to drive nature-positivity and climate-neutrality in tandem across key productive sectors.

After subsidy reform, the second biggest opportunity for redirecting capital flows towards nature-positivity lies in transforming key productive sectors, such as agriculture, forestry, mining, and fisheries. Leaders within these sectors are already responding to new pressures – from supply chain instability and shifting consumer tastes, to rising input costs and growing risks associated with climate change – to operate in a more climate-smart and nature-positive manner. A growing <u>body of research</u> on the economic arguments driving this shift, and a growing coalition of business and finance leaders <u>calling</u> for mandatory nature assessments and disclosure, underlines the critical role that enabling public policies and innovative finance can play in accelerating and scaling systems-level transitions while maximizing benefits for producers and consumers alike.

Recommendations:

1- Equip companies and markets to understand and manage nature-related risks to their operations.^{xxiv} Expand the terms of reference of the <u>Sustainable Finance Action</u> <u>Council</u> to support the Canadian financial sector to integrate <u>science-based targets for</u> <u>nature</u> and <u>nature-related financial disclosure</u> in their operations,^{xxv} and to align financial flows with the objectives of the KMGBF.



- 2- Ensure accurate data and reporting on the impacts of agriculture, forestry, fisheries and mining on nature and climate. Improved data integration, collection, management, and quantification methodologies can help ensure that policies and programs are informed by accurate and accessible data, and aligned with international targets and indicators. These features would also improve business leaders' understanding of the impacts of a given practice and their contributions to national environmental targets, while stimulating efforts to develop the robust baseline indicators that are needed to scale productive sectors' participation in ecosystem service markets and programs.
- **3-** Recognize and reward farmers' and ranchers' stewardship of ecosystem goods and services and contributions to ecological connectivity. Canada is rich in ecological goods and services. These can bestow significant advantages to companies operating in an increasingly environmentally-conscious marketplace. Leveraging improved data and reporting systems, the Government of Canada should support the development of onfarm based EG&S standards and markets that would allow Canadian producers to make credible claims and investments. The resulting security and economic advantages such systems provide to farmers and ranchers would amount to market incentives for practices that increase sector resilience, improve biodiversity, and contribute to ecological connectivity. They would also help optimize future investments in agrienvironmental programming.
- 4- Support a Sustainable Agricultural Value Chains Initiative. Alignment between Canada's forthcoming 2030 Biodiversity Strategy and Sustainable Agriculture Strategy provide a historic opportunity to stimulate collective action across agri-food value chains, and among public and private actors. Farmer-centric collaborations between academics, input suppliers, ingredient buyers, retailers, and civil society organizations offer a proven means for aligning public and private resources in support of large-scale, transformative change. An arms-length Sustainable Agricultural Value Chains Fund, managed by value chains actors, could help channel risk tolerant and blended finance towards initiatives that build on existing practices and relationships within the value chain, while balancing market forces and social and environmental objectives. Complemented by much-needed public investments in data harmonization, MRV, extension, standard setting, and international marketing, a Sustainable Agricultural Value Chains Initiative can help Canada's agri-food sector navigate emerging trends, while driving progress towards Canada's climate, nature, productivity, and profitability goals.
- 5- Adapt federal forest sector initiatives to maximize outcomes for nature, climate, and workers. Current approaches for determining forest values are based principally on harvest potential. A true ecosystems approach is needed in Canadian forestry to account and manage for the full range of ecosystems goods and services provided by forested landscapes and their interdependencies. This requires a concerted effort to harmonize and make forest inventory data freely available to the public, which can help guide sustainable forest management decisions by forest industry groups.^{xxvi} In particular, making forest inventory data easily available can support development of credible protocols for forest carbon credits, including a dynamic baseline approach that rigorously captures additionality. Last, the federal government should support an



expansion of existing forest management practices and new forest sector initiatives aimed at stimulating new education and entrepreneurship opportunities, career pathways, and related capacities to support nature-positive and climate-smart forestry.

6- Adapt fisheries management policies and procedures to be climate-resilient. Fisheries science and management efforts tend to look backward to determine current and future actions needed for sustainable fisheries. Given that we are already witnessing changes in fish distribution, recruitment, and habitat due to climate change, the Government of Canada must partner with Indigenous peoples and fishery participants to develop, resource, and implement a plan to adapt its fisheries research, monitoring, policies, and management actions to address the climate-related impacts on stocks to ensure continued ecosystem health and sustainable harvest. Public engagement to inform Canada's Adaptive and Resilient Fisheries Strategy should be launched no later than 2024, with the goal of completing the plan by 2025.

Biodiversity progress must be transparent and accountable at all levels of government, and accessible to all Canadians

Clear, legislated targets and milestone years are critical to ensuring an ambitious, accountable, and ratchetable 2030 Biodiversity Strategy and accountability act.

Canada's 2030 Biodiversity Strategy and accountability act provide a historic opportunity to place nature protection on equal footing with climate action, and to tackle the dual crises confronting our planet. This requires a whole-of-government effort, spanning Federal, Provincial and Territorial jurisdictions, and underpinned by transparency, peer accountability, and mandates to innovate and act even in the face of uncertainty. It also requires whole-of-society awareness and engagement in the strategy's success.

Recommendations:

1- Ensure coherence between Canada's Nationally Determined Contribution and National Adaptation Strategy, and the forthcoming Sustainable Agriculture Strategy and 2030 Biodiversity Strategy. Canada must ensure that actions to confront the dual crises of biodiversity and climate change are consistent and mutually reinforcing. An integrated approach across key government departments will be necessary to ensure that one department's policies and actions do not undermine that of another, and that policies are coherent and mutually-reinforcing. This underscores the essential role of central agencies (the Privy Council Office, the Treasury Board of Canada Secretariat, and the Department of Finance Canada) to consider biodiversity (together with climate change) as key considerations for setting budgets and government direction from the outset. Currently, biodiversity is an afterthought once most major decisions have been made, thereby precluding options for proactive efforts to avoid unintended impacts on nature. Although awareness is growing of potential conflicts between biodiversity and climate action, at present siloed approaches are still evident; these must be resolved to



seize the substantial opportunities for action on climate and biodiversity to be mutually reinforcing, as indicated in Canada's <u>submission</u> to CBD Secretariat (May 2023).

- 2- Establish and legislate clear targets, and include periodic progress reporting. Drawing on the precedents set by the <u>Net Zero Accountability Act</u> and <u>2030 Emissions</u> <u>Reduction Plan</u>, the 2030 Biodiversity Strategy must include domestic targets that are clearly linked to the targets in the KMGBF. The accountability act must make progress towards these targets legally accountable through interim progress markers. Further, the accountability act should mandate the appropriate ministers to report to Parliament, and to review and strengthen the 2030 Biodiversity Strategy, at set intervals.
- **3-** Encourage and incentivize meaningful collaboration between all levels of government. Noting FTP ministers' recent <u>commitment</u> to collaborate on shared objectives for the conservation and sustainable use of Canada's biodiversity, the accountability act should provide the architecture needed to enable a genuinely national plan that accounts for the critical contributions of provincial and territorial governments towards KMGBF targets. This should include incentives for Bilateral Nature Agreements that commit federal funding to support PT progress on additional conservation outcomes. Moreover, progress and transparency on implementation should be encouraged through a biodiversity performance peer review mechanism, underpinned by a measurable and standardized, regionally adaptable benchmarking system. Finally, the accountability act should require that recipients of federal funding also commit to disclosing climate and nature-related risks based on robust and agreed upon frameworks such as TCFD and TNFD.

Conclusion

Time is scarce to deliver on the ambitions of the Kunming-Montreal Global Biodiversity Framework. Having set an ambitious tone as host of COP15, Canada will be watched as it moves to implement and report on its progress. The recommendations set out above are designed to ensure Canada delivers on its commitments domestically, in a manner that upholds and honours Indigenous rights and knowledge; harnesses the power of local communities, finance, and productive sectors; and includes adequate transparency and accountability mechanisms to ensure federal, provincial and territorial governments act in tandem to build a nature-positive future for all. Fully implemented, these recommendations can drive transformative change in Canada, while also inspiring action to protect 30% of the world's lands and waters and to halt and reverse biodiversity loss worldwide.

ABOUT NATURE UNITED

Nature United is a Canadian conservation organization that was founded in 2014, building on decades of work of its global affiliate in Canada, and worldwide expertise and partnerships. Headquartered in Toronto, and with field staff across the country, we are working towards a Canada where people and nature are united, and ecosystems, communities and economies are thriving. Leveraging the power of Natural Climate Solutions and working in support of Indigenous-led Conservation, Nature United builds partnerships with governments, Indigenous communities, industries, and other groups to define new pathways towards a sustainable future; to advance reconciliation; and to conserve nature, the foundation of all life on Earth. To learn more, visit natureunited.ca or follow @natureunited_ca on Twitter.

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^{iv} This recommendation is consistent with recommendation 26 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report, which "calls on federal, provincial, territorial and Indigenous governments, and conservation partners, to provide or facilitate secure multi-year funding for the planning, development and management of IPCAs."

^v This recommendation is consistent with shared priorities 42 and 47 of the <u>Action Plan</u> for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act. Shared priority 42 states, "Through meaningful consultation and collaboration and partnerships with Indigenous governments, organizations, communities and other partners, advance marine Indigenous Protected and Conserved Areas to support Canada's commitments to reconciliation and marine conservation." Shared priority 47 states, "Continue to support Indigenous leadership in conservation through initiatives such as Indigenous Guardians, Indigenous Partnerships Initiative and Indigenous-Led Area Based Conservation that will provide capacity support until 2026, as well as the Project Finance for Permanence."

^{vi} This recommendation is consistent with recommendation 4.12 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report, which states that "For IPCAs, which require a long-term commitment to conservation and relationships, a more streamlined, predictable and flexible funding model is required." It also aligns with Recommendation 20 of the Assembly of First Nations 2023 report, <u>Marine IPCAs:</u> <u>Opportunities and recommendations for realizing Canada's commitments to reconciliation and marine</u> <u>conservation</u>, which calls for "a Project Finance for Permanence fund that supports long-term marine IPCA implementation."

^{vii} This recommendation is consistent with recommendations 9 and 17 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report. Recommendation 9 recommends "that federal, provincial, territorial and Indigenous governments work together on an ongoing basis to review—and, where necessary, amend—protected area legislation, policies and tools to support IPCAs." Recommendation 17 "recommends that federal, provincial and territorial governments collaborate with Indigenous

ⁱ The <u>G7 Hiroshima Leaders' Communique</u>, adopted in May 2023, committed to the full and swift implementation of the KMGBF, including through the <u>G7-Alliance on Nature Positive Economies</u>. ⁱⁱ The principal planning and reporting instruments under the UN CBD are: National Biodiversity Strategic Action Plans (NBSAP) and National Reports (NR). <u>Canada's last NBSAP</u> was published in 1995m and its <u>last</u> <u>NR</u> was submitted in 2018.

ⁱⁱⁱ Recommendation 1 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report, defines IPCAs as "lands and waters where Indigenous governments have the primary role in protecting and conserving culture and ecosystems through Indigenous laws, governance and knowledge systems. Culture and language are the heart and soul of an IPCA."



governments to support Indigenous land use planning, collaborative land use planning and governance models to support them."

viii This recommendation is consistent with shared priority 95 of the <u>Action Plan</u> for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act. Shared priority 95 states, "Enable broadened approaches to cooperative management, governance and decision-making with respect to the heritage places that Parks Canada has a role in administering. Parks Canada will work with First Nations, Inuit and Métis through a distinctions-based process to develop policy, regulatory and legislative options to recognize and support implementation of Indigenous systems of law and governance through a spectrum of governance, decision-making and management approaches in areas of interest including, but not limited to: economic and employment benefits; tourism; management plans; protection and conservation strategies; establishment of Indigenous Protected and Conserved Areas; access; archaeology; research, and restoration initiatives."

^{ix} Article 26 of the <u>United Nations Declaration on the Rights of Indigenous Peoples</u> (UNDRIP) requires states to give legal recognition and protection to Indigenous peoples' "right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those which they have otherwise acquired."

* This recommendation is consistent with recommendations 21 and 22 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report. Recommendation 21 "calls upon federal, provincial and territorial governments, philanthropic organizations, academia, environmental NGOs and industry to support the capacity of Indigenous governments, communities and associated organizations to plan, establish and manage IPCAs and engage in conservation efforts more broadly." Recommendation 22 "encourages federal, provincial, territorial and Indigenous governments to work together to support the development of on-the-land programs (e.g., guardian programs or similar community-based initiatives) for the development of IPCAs."

^{xi} This recommendation is consistent with shared priority 96 of the <u>Action Plan</u> for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act. Shared priority 96 states, "In coordination with other action plan measures, advance policy and on-the-land initiatives within the heritage places it has a role in administering to support and revitalize the relationships and connections of Indigenous peoples with lands, waters and ice that are essential to the overall well-being of Indigenous communities and individuals. A range of initiatives that will result in economic and employment opportunities will be implemented including, among other things, enhanced and sustainable Indigenous Guardian programs, support for on-the-land language and cultural learning by and for Indigenous peoples including youth, Indigenous-led place-renaming and revitalization of the stories of these places, promotion of public education to build understanding of Indigenous histories and stewardship approaches, and other policy-based initiatives that promote cultural continuity and revitalization. This work will be guided by the Indigenous Stewardship Circle, a diverse group of Indigenous leaders providing advice on how Parks Canada can support the implementation of the UN Declaration."

^{xii} This recommendation is consistent with recommendation 10 of the Indigenous Circle of Experts' landmark, <u>We Rise Together</u> report recommends that "federal, provincial and territorial governments use land withdrawals and other measures to prevent development and new third-party interests in IPCA candidate areas while those areas are being considered. Indigenous governments often struggle to protect lands and waters from industrial development while undertaking the community engagement and governance negotiation needed to establish an IPCA. Typically, a hold on development pressures is required for an area of interest to be considered."

^{xiii} This recommendation is consistent with shared priorities 32 and 51 of the <u>Action Plan</u> for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act. Shared priority 32 states, "Develop guidance on engaging with Indigenous peoples on natural resources projects, including in collaboration with provinces, territories, and industry, that: Aligns with the UN Declaration, including article 32(2), which calls for consultation and cooperation in good faith with the Indigenous peoples concerned in order to obtain free, prior and informed consent, prior to the approval of any project affecting their lands or territories and other resources; Provides practical recommendations for successful free, prior and informed consent implementation (including in situations where multiple regulatory processes are involved) consistent with the outcome(s) of action plan measure 66; Supports the integration of specific, localized knowledge held by Indigenous peoples in the design and governance of projects; Informs improved and enhanced engagement processes with Indigenous peoples on natural resources projects." Shared priority 51 states," The Impact Assessment Agency will implement the Impact



Assessment Act (IAA) in a way that aligns with the objectives and spirit of the UN Declaration. This includes, but is not limited to: Carrying out impact assessments in a manner that emphasizes the need to seek free, prior, and informed consent; Maximizing Indigenous collaboration and partnership, including the advancement of regulations to enable agreements under p.114(1)(d) and (e) of the IAA; Early, consistent, and meaningful engagement and participation through all phases of impact assessment; Respect for Indigenous rights, culture and jurisdiction; Mandatory consideration of Indigenous capacity in impact assessment; Consideration of health, social and economic factors, including impacts to women, youth and Elders; Consideration of any cumulative effects that are likely to result from a designated project in combination with other physical activities that have been or will be carried out."

^{xiv} The "polluter pays" principle is ostensibly an underlying principle of the <u>Canadian Environmental</u> <u>Protection Act, 1999</u>. The "polluter pays" principle posits that polluters should (at least at first instance) be the immediate party responsible for the costs and damages relating to the contamination they cause. However, in actuality this principle is rarely upheld. According to the <u>Canadian Bar Association</u>, "The allocation mechanism for contaminated site clean-up in other provinces [than Manitoba] might better be described as 'deepest pockets pays', or, more typically, 'last person standing pays.'"

^{xv} Commitments under the <u>Sustainable Critical Minerals Alliance</u> provide a useful framework that could be replicated and applied across Canadian mineral exploration and mining agreements.

^{xvi} Koplow, Doug and Ronald Steenblik (2022). <u>Protecting Nature by Reforming Environmentally Harmful</u> <u>Subsidies: The Role of Business</u>. Business for Nature

^{xvii} Target 19 of the Kunming-Montreal Global Biodiversity Framework commits countries to, "Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, by 2030 mobilizing at least 200 billion United States dollars per year, including by[...] (b) Significantly increasing domestic resource mobilization, facilitated by the preparation and implementation of national biodiversity finance plans or similar instruments according to national needs, priorities and circumstances; (c) Leveraging private finance, promoting blended finance, implementing strategies for raising new and additional resources, and encouraging the private sector to invest in biodiversity, including through impact funds and other instruments; (d) Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards (e) Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises, (f) Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity (g) Enhancing the effectiveness, efficiency and transparency of resource provision and use." ^{xviii} Budget 2022 announced the government's intention to create the Canada Growth Fund (CGF), capitalized with \$15 billion, to attract private capital and accelerate the deployment of technologies required to decarbonize and grow the economy. gf-fc-en.pdf (canada.ca)

xix Deutz, A., Heal, G. M., Niu, R., Swanson, E., Townshend, T., Zhu, L., Delmar, A., Meghji, A., Sethi, S. A., and Tobin de la Puente, J. 2020. *Financing Nature: Closing the global biodiversity financing gap*. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability.

** Target 18 of the Kunming-Montreal Global Biodiversity Framework. requires governments to "identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity[...]." This target is complemented by several other agreements to which Canada is a signatory. Under the G7 2030 Nature Compact (June 2021) governments committed to "lead by example by reviewing relevant domestic policies as soon as possible and [...] take action as appropriate to develop replacements that are nature positive"; the Leaders' Pledge for Nature (September 2020) commits signatories to "eliminate or repurpose subsidies and other incentives that are harmful to nature, biodiversity and climate while increasing significantly the incentives with positive or neutral impact for biodiversity across all productive sectors. ^{xxi} The Government of Canada's 2020 Strengthened Climate Plan committed to creating a "climate lens" as an assessment tool for all major government decisions, including memoranda to cabinet, Treasury Board submissions, and the budget. This commitment was the focus of a <u>\$36.2 million, five-year</u> commitment to ECCC in budget 2021, and re-confirmed in the <u>2030 Emissions Reduction Plan</u>. For a more detailed discussion, see: <u>Climate Governance in Canada (pembina.org)</u>



^{xxii} 195 State Parties to the UN Biodiversity Convention have specifically endorsed and recommended the use of the mitigation hierarchy as the key to mainstreaming biodiversity in the energy, mining, and infrastructure sectors.

^{xxiii} UN Global Compact and IUCN, 2012. A Framework for Corporate Action on Biodiversity and Ecosystem | UN Global Compact. Available at: <u>https://www.unglobalcompact.org/library/139</u>

^{xxiv} Target 15 of the <u>Kunming-Montreal Global Biodiversity Framework</u> commits countries to "Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions: (a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains and portfolios; (b) Provide information needed to consumers to promote sustainable consumption patterns; (c) Report on compliance with access and benefit-sharing regulations and measures, as applicable; in order to progressively reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and promote actions to ensure sustainable patterns of production."

^{xxv} In Budget 2021, the Government of Canada noted its intention to join the Task Force on Nature-related Financial Disclosure, the final reporting guidelines for which will be <u>launched</u> at New Tork Climate Week in September 2023. Further steps must be taken to integrate the guidelines across Canada's financial system. ^{xxvi} The Forest Data Modernization Act (<u>S.1743</u>), a bipartisan introduced to both houses of Congress in the United States on May 18, 2023, would ask the US Forest Service to publish statistics from the forest inventory analysis programme (FIA) twice per year.