



RECOMMENDATIONS

FOR BUDGET 2025 AND
BUDGET 2026



FEATURING

- 1** Preserving federal environmental capacity
- 2** East-West electricity grid based on renewables
- 3** Climate resilient housing
- 4** Delivering on Canada's nature commitments
- 5** Chemicals Management Plan



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This document will be available, in English and French, at www.greenbudget.ca.

Department and Agency Acronyms

AAFC: Agriculture and Agri-Food Canada	ESDC: Employment and Social Development Canada	PS: Public Safety Canada
CFIA: Canadian Food Inspection Agency	FIN: Finance Canada	PC: Parks Canada
CIB: Canada Infrastructure Bank	GAC: Global Affairs Canada	PCO: Privy Council Office
CIRNAC: Crown-Indigenous Relations and Northern Affairs	HC: Health Canada	PMO: Office of the Prime Minister
CMHC: Canada Mortgage and Housing Corporation	HICC: Housing, Infrastructure and Communities Canada	PMRA: Pesticide Management Regulatory Agency
CWA: Canada Water Agency	ISC: Indigenous Services Canada	StatCan: Statistics Canada
DFO: Fisheries and Oceans Canada	ISED: Innovation, Science & Economic Development Canada	TBS: Treasury Board of Canada Secretariat
ECCC: Environment and Climate Change Canada	NRCan: Natural Resources Canada	TC: Transport Canada

Introduction & Executive Summary

Investments in climate and nature action, and reducing pollution, are crucial for success on the Prime Minister's seven priorities, particularly for a strong Canadian economy, bringing down costs for Canadians, more affordable housing, and attracting the best talent.

Amidst economic uncertainty, worsening climate, biodiversity and pollution crises, and fiscal limits, it is critical to preserve current capacity and further invest in strategic measures to ensure that Canada flourishes in the years ahead with dependable clean energy, energy efficient housing, climate resilience, treasured nature areas and biodiversity, healthy people, and reliable chemicals management.

The 2025 and 2026 federal budgets provide a prime opportunity, responsibility, and imperative for the federal government to renew and strengthen action on the linked climate, biodiversity, and pollution crises. Investment in environmental priorities is key to any successful approach to protecting Canada's values and identity.

Fires, floods, stronger storms, extreme heat, ecological disruption, dramatic loss of wildlife populations, a rapidly warming Arctic, and increasing chemical and other pollution are being felt in Canada and around the world, causing widespread harm, particularly to low-income and vulnerable people, as well as huge economic costs. The climate crisis continues to accelerate, and Canada is positioned to warm at roughly twice the rate of global average. Science indicates that these and other impacts will intensify if climate change and ecosystem destruction remain unchecked.¹

At the same time, global efforts and investments to address these crises are expected to create many trillions of dollars in economic benefits, and help their countries be economic leaders for years to come.

To help the federal government make best use of its limited resources to address these issues, the Green Budget Coalition has utilized its expertise and years of research and discussions with government officials and Indigenous allies to develop this comprehensive set of timely budget and fiscal recommendations.

¹ See for example: the UN's International Panel on Climate Change 2021 report, "AR6 Climate Change 2021: The Physical Science Basis, Summary for Policy Makers", at https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf; the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) May 2019 report at <https://ipbes.net/global-assessment>; <https://www.theguardian.com/environment/2025/aug/06/chemical-pollution-threat-comparable-climate-change-scientists-warn-novel-entities>; and <https://www.stockholmresilience.org/research/planetary-boundaries.html>.

For Budget 2025, the Green Budget Coalition is featuring five recommendations, as part of a comprehensive package of timely and financially-astute recommendations:

- 1) **Preserving federal environmental capacity amidst Comprehensive Expenditure Review** – Encouraging the government to act cautiously and carefully to maintain core capacity for environmental and climate governance, science, programs, and policy, which are critical to enable the government to achieve its commitments and objectives, and to avoid larger costs in future;
- 2) **Modern, resilient East-West electricity grid based on renewables** – invest boldly in a modern, resilient East-West electricity grid, matching the scope and scale required by this political moment, combined with matching provincial funding for energy efficiency and demand side management, supporting Indigenous-led and community-led clean energy projects, and funding to provinces (\$32 billion over five years);
- 3) **Climate resilient housing** – ensure new housing supported by Build Canada Homes and other federal housing programs meets energy efficiency standards, and scale up Canada’s retrofit industry as a nation building project, prioritizing programs established through provincial and territorial contribution agreements and those targeting non-market multi-unit housing (\$13.7 billion over six years);
- 4) **Delivering on nature commitments** – renew and expand on the Enhanced Nature Legacy (protecting and connecting land and freshwater) and Marine Conservation Targets programs to continue Canada’s leadership on nature protection, and to support new conservation initiatives identified in Canada’s 2030 Nature Strategy to deliver on Canada’s obligations to the Kunming-Montreal Global Biodiversity Framework. (\$4.6 billion over five years, followed by \$600 million per year, ongoing); and
- 5) **Permanently Fund Chemicals Management Plan** – protecting all people in Canada from toxic chemicals and pollution (\$200 million in 2026-27, followed by \$300 million per year, ongoing).

It is vital that Canada redouble its commitment to the Paris Agreement, to the economy-wide emissions reductions, and to the domestic and international climate investments this entails. Budget 2022 noted that \$125-140 billion needs to be invested in climate action per year by 2050.² Canada must continue to demonstrate its willingness to do its fair share and be a constructive and serious player on the international stage.

Canada has demonstrated leadership in protecting and enhancing nature and biodiversity by adopting the Kunming-Montreal Global Biodiversity Framework (KMGBF) in 2022, and then releasing Canada’s 2030 Nature Strategy as its implementation plan. Canada now has a broad suite of commitments to halt and reverse biodiversity loss by 2030; however, renewed and expanded funding is needed to fulfill them.

² Government of Canada “A Plan to Grow Our Economy and Make Life More Affordable”, Chart 3.1 (2022).
<https://budget.gc.ca/2022/pdf/budget-2022-en.pdf>

For all new and ongoing programs, we emphasize the importance of effective implementation, monitoring, and evaluation to ensure successful outcomes.

In that context, it is critical to maintain the government’s core capacity for environmental governance and environmental and climate science, programs, and policy. At the same time, further progress on funding, fiscal measures, and regulations is required.

Canada must also strive to advance and embed climate, biodiversity, and environmental justice goals across government, using tools such as sustainable finance, net-zero industrial policy, climate and biodiversity conditions on funding and policy measures, and a national environmental justice strategy and screening tools.

Many of the recommendations in this document are relevant to the rights and authorities of Indigenous peoples—First Nations, Inuit, and Métis—whose traditional territories and knowledge are integral to the achievement of Canada’s climate and conservation goals. These recommendations should be considered in the context of reconciliation, and pursued in a manner in keeping with the United Nations Declaration on the Rights of Indigenous People.

In addition, Canada’s opportunities and responsibilities include leadership actions to support global progress.

Implementing these Green Budget Coalition recommendations would lead to transformative progress in advancing enduring environmental, economic, and social prosperity for all peoples in Canada from coast to coast to coast.

Green Budget Coalition Feature Recommendations - Alignment with Prime Minister’s 7 Priorities³

	1. Establishing new relationship with US	2. One Canadian economy	3. Bringing down costs for Canadians	4. Making housing more affordable	5. Canadian sovereignty & safety	6. Attracting best talent in world	7. Spending less on government operations
1. Preserving federal environmental capacity		✓	✓	✓			✓
2. East-West electricity grid based on renewables	✓	✓	✓	✓		✓	
3. Climate resilient housing	✓	✓	✓	✓		✓	
4. Delivering on Canada’s nature commitments		✓					
5. Chemicals Management Plan							✓

³ <https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter>



Who We Are

The Green Budget Coalition (GBC), founded in 1999, brings together twenty leading Canadian environmental and conservation organizations, which collectively have over one million Canadians as members, supporters, and volunteers.

Our Mission

The mission of the Green Budget Coalition is to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities.

Our Vision

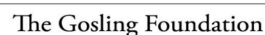
The Government of Canada contributes to securing and maintaining the environmental sustainability of Canada through appropriate investments in environmental programs, and through the adoption of appropriate policies related to taxation, pricing, and subsidies.

Objectives

- To bring together the collective expertise of leading Canadian organizations regarding the important environmental issues facing Canada;
- To prepare and promote prioritized recommendations annually to the federal government on policies, actions and programs whose implementation would advance environmental sustainability and which could be reflected in the federal budget; and
- To monitor federal budget decisions and spending estimates and to track Green Budget Coalition recommendations with a view to assessing the likely effect of budgetary and fiscal decisions on the environment and to evaluating the Green Budget Coalition's impact on fiscal policy and budgetary actions.

The Green Budget Coalition's Chair is Robb Barnes, Climate Program Director, Canadian Association of Physicians for the Environment (CAPE).

The Green Budget Coalition sincerely thanks the Catherine Donnelly, Echo, Gosling, Ivey, McLean, Metcalf, Sitka, and Trottier Family Foundations for their generous financial support. The Green Budget Coalition's efforts are funded by its members and these foundations.



FEATURE RECOMMENDATIONS

Preserving federal environmental capacity amidst Comprehensive Expenditure Review

Amidst the federal government's Comprehensive Expenditure Review, the Green Budget Coalition strongly encourages the government to act cautiously and carefully to maintain core capacity for environmental and climate governance, science, programs, and policy. This is critical to enable the government to achieve its commitments – to people in Canada, and internationally – and objectives, to protect Canada's treasured environment and Canadians' health and well-being, to capitalize on economic opportunities, and to avoid larger costs in future.

This recommendation advances 4 of the Prime Minister's 7 Priorities

- ✓ *One Canadian economy*
- ✓ *Bringing down costs for Canadians*
- ✓ *Making housing more affordable*
- ✓ *Spending less on government operations*

The Green Budget Coalition understands and supports the benefits of regularly reviewing expenditures, exploring available opportunities such as new technologies, and striving to make the best use of the government's limited revenues.

At the same time, the government's current capacity is critical for:

- Reducing climate change risks;
- Increasing resilience and protecting Canadians from climate risks;
- Taking advantage of numerous short- and long-term economic opportunities across Canada (e.g., in clean energy production and transmission, building energy efficiency, and the conservation economy);
- Conserving our nature and biodiversity, which is central to Canadians' well-being and sense of national identity; and
- Protecting Canadians' health.

Preserving current capacity is also fundamental for avoiding future costs. Pursuing short-term financial savings risks leading to much greater climate and health costs in future, for Canadians and Canadian governments, as well as larger financial costs for governments to achieve the same objectives. For example, savings by building new homes cheaply will lead to higher energy costs and much greater future costs for retrofits. Costs can also be higher where climate or nature objectives need to be achieved over a shorter period, or where additional staff training is needed to make up for lost expertise.

An important part of preserving capacity is renewing any fundamental funding which is sunseting, particularly in 2025 for the Enhanced Nature Legacy and Marine Conservation Targets programs, Chemicals Management Plan, Canada Greener Homes Loan program, and purchase incentives for a range of electric vehicles.

Federal environmental capacity includes the regulatory, scientific, and administrative capacity that enables Canada to reduce emissions, adapt to climate impacts, conserve biodiversity, and enforce environmental laws. This includes:

- Policy development and regulatory oversight – Developing evidence-based policies to mitigate climate change and guide low-carbon economic transformation;
- Monitoring and enforcement – Ensuring that environmental laws and regulations are followed, and that violations are investigated and penalized;
- Intergovernmental coordination – Supporting collaboration with provinces, territories, Indigenous governments, and municipalities; and
- Public reporting and accountability – Maintaining transparency in emissions reporting, conservation outcomes, and policy performance.

Risk of Reducing Core Capacity

Periods of budget cutting often produce indiscriminate reductions across departments. Without careful guidance, this can result in disproportionate impacts to governance functions that are less visible but highly consequential. Examples include:

- Delays in climate policy implementation due to understaffed regulatory teams;
- Inadequate oversight of industrial emissions and other pollutants, leading to unreported or uncontrolled pollution;
- Gaps in biodiversity monitoring, weakening Canada's ability to meet global conservation targets; and
- Disrupted intergovernmental processes, slowing progress on shared climate initiatives.

Once lost, governance capacity is difficult and costly to rebuild. Staff expertise, institutional memory, and operational continuity are not quickly restored after a pause or downsizing. In many cases, these losses would reduce Canada's long-term policy options and increase vulnerability to severe climate events and other environmental risks.

A Prudent Approach to Fiscal Management

Budget restraint does not require abandoning environmental leadership. In fact, strong governance can help prioritize spending, avoid duplication, and ensure that limited funds are used effectively. Cutting governance capacity, by contrast, can lead to blind spots, inefficiencies, and reactive crisis management.

The federal government must avoid the false economy of short-term savings that undermine long-term sustainability. Environmental governance is not a low-value operating cost—it is critical risk management infrastructure. Just as Canada would not weaken public health oversight during a health crisis, it must not risk weakening environmental governance amid the climate, biodiversity, and pollution crises.

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A modern, resilient East-West electricity grid based on renewables

Canada must invest in its electricity infrastructure to enhance its economic resilience and security. Electricity is the foundation of a modern economy as the world shifts decisively into the “age of electricity.” Given the evolving trade relationships with the United States and surging domestic demand for clean electricity—driven by growth in building and industrial electrification, electric vehicle manufacturing, steel making, and data centres—Canada urgently needs a strong, modern, and resilient East-West electricity grid.

This recommendation advances 5 of the Prime Minister’s 7 Priorities

- ✓ *Establishing new relationship with US*
- ✓ *One Canadian economy*
- ✓ *Bringing down costs for Canadians*
- ✓ *Making housing more affordable*
- ✓ *Attracting best talent in world*

Building this electricity grid—a central commitment of Mark Carney’s Liberal Party in the 2025 election—requires Canada to move beyond incremental steps and adopt a bold, coordinated strategy that aligns federal investments with provincial, territorial, and Indigenous leadership as part of a broader nation-building effort. This means expanding physical infrastructure, modernizing policy frameworks, ensuring equitable participation, and prioritizing demand-side solutions alongside clean energy generation. The federal government must prioritize the electric economy through the following strategic investments.

Total Recommended Investment:

\$32 billion over five years [NRCan, FIN]

1) Transmission and Canada’s East-West Grid:

\$20 billion over five years for capital investments in strategic interprovincial and interregional transmission infrastructure.

This investment will build a modern, resilient, and clean electricity grid—fulfilling a key election platform promise—and would see the federal government play a vital role in kickstarting strategic intertie projects across Canada.

This is a high-priority nation-building endeavour deserving of significant federal focus, which has the potential to generate high-quality jobs, better health outcomes, increase affordability, and strengthen Canada’s national security for communities and businesses.

For clarity, this investment recommendation is distinct, and in addition to, the confirmed and pending investment tax credits. The ITCs and the \$1.5 billion set aside in the Liberal Party’s 2025 costed platform,⁴ are notably insufficient to achieve these key outcomes.

⁴ Liberal Party of Canada, “Canada Strong.” <https://liberal.ca/cstrong/>

Although electricity generation clearly falls within provincial jurisdiction, the federal government has an essential role in convening stakeholders, strategic planning, and sending a clear signal of federal priority and funding to ensure valuable projects are brought forward. To support the most impactful use of this investment, the federal government should dedicate **\$500 million** of this funding to developing comprehensive regional plans, cost-allocation frameworks, and integrating grid innovation and new technologies. Planning must involve provincial governments, Indigenous leadership, and broad engagement with regional stakeholders.

This aligns with the Canadian Electricity Advisory Council's key recommendation that the federal government should spearhead the development of a common cost-allocation and benefit-accrual framework to identify and construct interregional electricity transmission with provincial and territorial officials, and clearly define governance structures and cost-allocation mechanisms.

2) Efficiency and demand-side management:

\$6.5 billion over five years to match provincial funding for demand-side management projects.

This support will focus on demand-side management initiatives that reduce customer bills, optimize grid and generation resource use, enable greater adoption of distributed energy resources, and lead to incremental emissions reductions.

3) Indigenous clean energy and project equity:

\$5 billion over five years to advance Indigenous-owned and Indigenous-led clean energy projects through grants and Indigenous Loan Guarantees.

This funding will build capacity, enhance access, and enable Indigenous communities to meaningfully participate and hold a vested financial equity in large-scale nation-building projects such as the East-West grid, and major renewable electricity generation and cutting-edge battery storage projects. Federal support must additionally include programs for providing communities the necessary resources to engage effectively in consultation processes.

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Climate resilient housing

With the rapid expansion of housing supply continuing to be a priority across all levels of government, we must not lose focus on the role that existing housing plays in ensuring that all Canadians have access to a home that is affordable to heat and cool and that can keep them safe from the impacts of climate change. By definition, affordable housing must be energy efficient because housing that is inefficient costs far more to operate. New housing construction and a rapid expansion of the retrofit market will be fundamental for creating in-community, long-term skilled jobs and national GDP growth and should be considered a legacy building project of national priority.

This recommendation advances 5 of the Prime Minister's 7 Priorities

- ✓ *Establishing new relationship with US*
- ✓ *One Canadian economy*
- ✓ *Bringing down costs for Canadians*
- ✓ *Making housing more affordable*
- ✓ *Attracting best talent in world*

To meet emissions reduction targets, Canada must develop a retrofit industry able to decarbonize 600,000 dwellings and more than 70 million square metres of commercial space each year by 2040.⁵ Canada's building retrofit rate is currently estimated to be well below 1% per year.⁶ At that pace, it would take over a century to upgrade the entire building stock — far too slow to meet Canada's housing and climate needs.

Retrofitting our homes and buildings is a high-return investment that provides families and businesses with healthier, safer indoor spaces, more resilient to severe weather events, and more affordable to heat and cool. Canada should prioritize retrofitting existing buildings in order to meet climate, housing, and affordability targets, as the majority of these buildings will still be standing in 2050.

Building retrofits open the door for "made-in-Canada" energy resources, such as demand-side energy resources (rooftop solar, battery storage, or shifting energy use to lower-use times) and improved energy efficiency. Investments in energy efficiency and demand-side resources create long-term, local jobs. They also attract capital from the industries of tomorrow, and help advance our economic and climate goals.

Successfully addressing the housing crisis requires that we think of not only the creation of new units of housing, but the preservation of existing buildings. This combined approach, in a strategy to ensure all Canadians have a climate resilient home, provides the greatest opportunity to multi-solve for our current interconnected challenges.

⁵ Kennedy, Madi and Tom-Pierre Frappé-Sénéclauze, "Canada's renovation wave: A plan for jobs and climate" (2021). <https://www.pembina.org/pub/canadas-renovation-wave>

⁶ Efficiency Canada, "Making the case: Why we need Mandatory Building Performance Standards in Canada." <https://www.efficiencycanada.org/making-the-case-why-we-need-mandatory-building-performance-standards-in-canada/>

**Total Recommended Investment:
\$13.7 billion over six years**

Background:

The Canada Green Buildings Strategy, released in July 2024, is an important vehicle in pulling together the federal government's actions, recognizing that "housing, energy affordability and climate action form the intersection where Canadians' most pressing concerns meet."⁷ Now is the time to ensure that strategy is implemented, by putting in place the policy frameworks and financial mechanisms to meet these strategic priorities:

- Accelerate retrofits;
- Build green and affordable from the start; and
- Shape the buildings sector of the future

Federal government programs must be designed to both scale up industry capacity and ensure that households living with energy affordability challenges can access programs designed to transition away from fossil fuels, afford their everyday energy needs, and benefit from clean energy.

The federal government must also establish a targeted effort to analyze and address the housing needs of Indigenous communities and members of urban Indigenous populations, led by Indigenous agencies and community representatives who would set the priorities and determine investment needs and allocation.

The Indigenous Clean Energy (ICE) *Indigenous Housing Energy Efficiency Data Set* estimates that there are 209,000 homes in Indigenous communities across Canada (121,000 First Nation, 13,000 Inuit, 75,000 Métis) that require energy efficiency upgrades. Combined with the need for approximately 72,000 new builds, **this represents an investment of \$5.4 billion.**⁸ These numbers generally reflect rural, remote, and on-reserve homes.

Detailed Recommendations:

New Construction

- New construction supported through the Build Canada Homes or other federal housing programs should aim to achieve the highest level of the National Energy Building Code, measure and report embodied carbon, and prioritize design catalogue buildings that integrate climate risk assessments and net-zero emissions design principles. [HICC, FIN]

⁷ Natural Resources Canada, "Canada Green Building Strategy" (2024).

<https://natural-resources.canada.ca/energy-efficiency/building-energy-efficiency/canada-green-buildings-strategy-transforming-canada-s-buildings-sector-net-zero-resilient-future>

⁸ Indigenous Clean Energy, "Energy Foundations: The Value Proposition for Financing Energy Efficient Homes in Indigenous Communities Canada-Wide" (2021).

<https://indigenoucleanenergy.com/wp-content/uploads/2022/06/Energy-Foundations-Report-FINAL.pdf>

- Performance requirements should include the maintenance of a maximum indoor air temperature of 26 degrees Celsius and a heating and cooling equipment efficiency standard of greater than 100%. [HICC, NRCan]

Retrofits

- Allocate **\$1 billion** in Budget 2025, and **\$2 billion** in Budget 2026 and subsequent budgets through 2030, to recapitalize and maintain **retrofit programs**, prioritizing programs established through provincial and territorial contribution agreements and those targeting non-market multi-unit housing. [NRCan, HICC]
- **\$5 million** for the development of a **National Affordable Home Energy Strategy** with clear actions and outcomes to address energy affordability in Canada. [NRCan, HICC]
- **\$2.7 billion over five years** for retrofits and energy efficiency upgrades for housing projects in Indigenous communities, as identified by Indigenous Clean Energy. [ISC, CMHC, CIB]

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Delivering on nature commitments – protect and restore nature to catalyze a conservation economy

Budgets 2025 and 2026 are critical opportunities to translate federal nature commitments into durable, measurable progress to halt and reverse biodiversity loss. Anchored in the Kunming-Montreal Global Biodiversity Framework (KMGBF) and Canada's 2030

Nature Strategy, targeted investments are urgently needed to protect nature and accelerate ecosystem restoration — creating jobs, strengthening rural and Indigenous economies, and safeguarding the natural infrastructure that underpins Canada's prosperity. Recommendations for more comprehensive implementation of the KMGBF are included in the “complementary recommendations” section (*later in this document*). Protecting and restoring nature is critical to the health of Canadians and of the natural spaces that are core to our national identity.

This recommendation advances 1 of the Prime Minister's 7 Priorities
✓ *One Canadian economy*

Total Recommended Investment:

\$4.625 billion over five years, followed by \$600 million per year, ongoing

Protect:

In the 2025 Speech from the Throne and the Liberal election platform, this government made a series of commitments that, if fully implemented, could go a long way to halting and reversing the biodiversity crisis in Canada. These include protecting 30% of land, freshwater, and ocean by 2030, implementing the KMGBF, and creating new national parks, marine protected areas and urban parks. For the government to be able to deliver these commitments, the Enhanced Nature Legacy and Marine Conservation Targets programs must be fully renewed. They are currently scheduled to sunset in March 2026 and without a new investment in Budget 2025, progress on many conservation initiatives across Canada will grind to a halt. Once this happens, it will be difficult to regain momentum.

These programs have been transformative for conservation in Canada over the past decade, increasing the percentage of Canada's ocean protected from less than 1% to over 15%, and recognizing and supporting Indigenous-led conservation initiatives across the country. Federal investments have been the key to unlocking significant additional funding from private sources and other governments.

By focusing a significant portion of these investments to Indigenous nations, organizations and communities, it will be possible to protect, restore, and manage the sustainable use of ecosystems, natural capital and their services while advancing Indigenous jurisdiction, rights and title and effective co-management of the land and water. This government's commitment to conserve nature in partnership with Indigenous Peoples can only be achieved by bolstering

Indigenous jurisdiction and partnering with Indigenous communities for the long-term sustainable co-management of lands and water.

The Canadian Nature Protection Fund could also help by providing low-barrier funding to Indigenous nations and charitable organizations to support their efforts to protect key ecosystems. Additional investment is needed for Parks Canada to deliver on the promise to create 10 new national parks and marine protected areas and support 15 new urban parks.

Relatedly, we recommend providing long-term funding to Parks Canada's National Program for Ecological Corridors within renewed ENL funding, supporting collaborative conservation efforts across jurisdictions. This initiative will ensure safe wildlife movement between protected areas, enhancing genetic diversity and ecosystem resilience within and outside of National Parks.

To generate the enormous potential ecological, social, and economic benefits of protected areas, investments need to be ongoing, supporting the stewardship and management of areas in the long-term.

Specific Recommended Investments:

1. **Marine Conservation Targets: \$1 billion over five years, followed by \$200 million annually**
Maintain momentum toward protecting 30% of marine and coastal areas by 2030. By taking a cooperative whole of government approach, with coordinated policy direction, previous investments have increased the percentage of Canada's ocean protection from less than 1% in 2015 to over 15% today, and advanced Indigenous reconciliation and support from other partners and stakeholders. [DFO, ECCC, PC, NRCan, TC, CIRNAC]
2. **Renew or Replace Enhanced Nature Legacy Fund: \$2.5 billion over five years**
Necessary to achieve protection of 30% of land and freshwater by 2030 and much more. Continue investments in support for Indigenous-led conservation, including IPCAs, and Indigenous Guardians. Consider intergovernmental transfers to provinces, territories and Indigenous governments to support protection of natural capital. [ECCC, PC, DFO, HICC, NRCan]
3. **Long-Term Funding for Parks Canada: \$675 million over five years, followed by \$400 million annually**
Ensure Canada's expanding network of national parks, national marine conservation areas, and national urban parks are adequately funded for establishment and stewardship. [PC]

In addition, the federal government must strengthen, table, and pass the Nature Accountability Act to ensure the federal government plays its role in advancing implementation of the Kunming-Montréal Global Biodiversity Framework and related Convention on Biological Diversity commitments at the federal level. This will help the government achieve its global commitment to halt and reverse biodiversity loss in Canada.

Restore:

Restoration is a cornerstone of Canada's nature and climate agenda – an essential tool to halt and reverse biodiversity loss, enhance climate resilience for Canadians, and revitalize degraded ecosystems. Strategic investments in restoration are required to fulfill the Liberal Party platform commitments, including mapping carbon- and biodiversity-rich landscapes, delivering on Canada 2030 Nature Strategy, prioritizing natural infrastructure (e.g., wetlands and forested areas), and proactively rehabilitating and mitigating environmental and species at risk impacts in areas where significant infrastructure development is expected.

To meet these goals, Canada must fund national mapping programs to identify, monitor and restore degraded ecosystems, including wetlands, grasslands, peatlands, coastlines, and permafrost areas, while simultaneously growing the restoration sector's supply chain to meet increasing demand. This investment will enable smarter conservation decisions, accelerate progress towards Canada's climate and nature targets, and catalyze a conservation economy that creates jobs and builds resilience. Economic research has shown that for every dollar invested in the securement, restoration, and management of wetlands and conserved areas, society receives a \$22 benefit in terms of economic, ecological, and social well-being.⁹

Specific Recommended Investments:

1. National Habitat Restoration Fund: **\$150 million over three years**

To advance Canada's biodiversity and climate goals, this fund would support the restoration of ecologically significant and high carbon value landscapes – such as wetlands, native grasslands, riparian zones, and native forests – many of which are underrepresented in current programs. This fund should also support a national framework for restoration to ensure consistent, effective practices across jurisdictions through shared definitions and a collaborative platform for planning. [ECCC, PC, NRCan, DFO, CIRNAC]

2. National Mapping and Monitoring: **\$300 million over five years**

To complete national inventories and mapping for carbon and biodiversity-rich ecological landscapes including wetlands, grasslands, peatlands, coastlines, and permafrost areas. [ECCC, StatCan, ISED, NRCan, DFO, PC]

Budget 2026 represents a decisive moment. Canada has the knowledge, partners, and public support to deliver on its nature commitments — but not the time to delay.

By investing in nature now — through protection and restoration — the federal government can catalyze a conservation economy that serves people and the planet. These actions will fulfill our

⁹ Mark Anielski, John Thompson, and Sara Wilson "A Genuine Return On Investment - The Economic and Societal Well-Being Value of Land Conservation in Canada" (2014).
<https://anielski.com/just-ugly-duckling-canadas-wetlands-provide-genuine-value-well-canadians/>

international obligations, uphold reconciliation, and build a more resilient, equitable, and prosperous Canada for generations to come.

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Permanently fund Chemicals Management Plan to protect people and the environment from toxic chemical pollution

Under the Chemicals Management Plan (CMP), ECCC and HC assess, manage and aim to reduce risks posed by chemical substances. The CMP was launched in 2006, and most recently renewed in Budget 2021 (\$476.7 million over three years).

This recommendation advances 1 of the Prime Minister's 7 Priorities
✓ *Spending less on government operations*

The Green Budget Coalition recommends that funding for CMP be renewed on a permanent basis at the earliest opportunity.

Recommended Investment:

\$200 million in 2026-27, then \$300 million per year, ongoing, starting in 2027-28 [ECCC, HC]

Protecting people and the environment from toxic chemicals and pollution is a core function of the federal government that requires permanent, reliable funding over the long term to manage the growing risks and documented harms of toxic chemicals and pollution.

The Green Budget Coalition recommends moving the CMP budget to A-base to build and maintain scientific capacity for this important, legally mandated work. HC and ECCC must retain the capacity to assess new substances and update assessments in light of new science and approaches, and to develop and implement control measures for the increasing number of substances assessed as toxic under CEPA. The ongoing task of chemicals management requires permanent capacity.

Permanent CMP funding is also necessary to support Canada's Plastics Initiative given that petrochemical production and plastics are major contributors to toxic chemical pollution.

Additional resources will be needed since the *Canadian Environmental Protection Act* was updated in 2023,¹⁰ including the recognition of the right to a healthy environment and a requirement to consider cumulative effects and effects on vulnerable populations.¹¹ The Green Budget Coalition recommends that CMP renewal invest in building science and policy capacity for these important new approaches.

The threats of and harms from toxic chemicals are growing. Without sufficient and reliable funding, Canada's environment, wildlife, and people will become increasingly contaminated and are more likely to suffer related adverse impacts. As an Arctic nation, Canada is particularly vulnerable to the harms of persistent toxic pollutants. Canada plays a crucial leadership role on the world stage in reducing the global use of persistent toxic pollutants. By resourcing the CMP

¹⁰ <https://www.parl.ca/DocumentViewer/en/44-1/bill/S-5/royal-assent-2>

¹¹ CEPA defines *vulnerable population* as "a group of individuals within the Canadian population who, due to greater susceptibility or greater exposure, may be at an increased risk of experiencing adverse health effects from exposure to substances."

permanently, Canada can continue over the long term to be a global leader in reducing toxic pollutants.

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COMPLEMENTARY RECOMMENDATIONS

Funding Indigenous climate and conservation leadership

The Green Budget Coalition encourages the federal government to advance Indigenous climate and conservation leadership by providing long term, sustainable and direct funding to Indigenous Peoples.¹²

Co-developed funding mechanisms, like the Indigenous Climate Leadership Agenda, could help ensure that priority areas such as climate change mitigation, adaptation, nature conservation and restoration, emergency management, health and well-being, and economic development are delivered in a way that best meets the needs of First Nations, Inuit and Métis.

See also, elsewhere in this document:

- *A modern, resilient East-West electricity grid based on renewables*
- *Delivering on nature commitments – protect and restore nature to catalyze a conservation economy*
- *Sustainable career paths for workers in a rapidly changing world*
- *Expand Canada’s public electric vehicle charging network*
- *Marine shipping*
- *Climate adaptation*
- *Nature-positive agriculture*
- *Build a National Native Seed Strategy*
- *Protecting Canada’s Arctic*
- *Marine spatial planning*
- *Managing ocean fisheries*
- *Freshwater management*

¹² Referring to First Nations, Métis and Inuit governments, organizations, and/or communities across Canada.
Green Budget Coalition’s Recommendations for Budget 2025 & Budget 2026

Integrating Climate and Nature Across Canada's Financial Systems, Fiscal Policy, and International Funding

Sustainable finance: aligning Canada's financial system with climate and biodiversity commitments

Recommendation [FIN, ECCC]:

Implement a coherent legislative framework that will enable the financial sector and federally regulated entities to align their activities with Canada's international climate and biodiversity commitments and nationally legislated targets.

Canada must shift the structure of its economy to mitigate the risks and confront climate change. This begins by aligning financial flows with climate and biodiversity commitments to harness emerging economic opportunities in sectors like clean energy.

Implementing a coherent legislative framework, based on the now defunct S-243 *Climate Aligned Finance Act*,¹³ that would strengthen Canada's economic resilience and its ability to achieve national and international climate commitments can be achieved by legislating the entire field of federal jurisdiction over financial regulation, without extending the powers and duties of federal institutions. It can do so by:

1. **Establishing a duty** for directors, officers and administrators to align entities with climate commitments;
2. **Aligning the purposes** of federally regulated entities, crown corporations,¹⁴ and the financial regulator with climate commitments;
3. Requiring the **development of transition plans**, targets, and progress reports on meeting

climate commitments through annual reporting requirements and increasing transparency by making them public and freely accessible;

4. Ensuring **climate expertise** on certain boards of directors and avoiding conflicts of interest;
5. Making **capital adequacy requirements** proportional to microprudential and macroprudential climate risks generated by financial institutions;
6. Requiring a **government action plan** to align all financial products with climate commitments; and
7. Mandating timely **public review processes** on implementation progress to ensure iterative learning.

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¹³ Senate of Canada, "Bill S-243." <https://www.parl.ca/DocumentViewer/en/44-1/bill/S-243/first-reading>

¹⁴ Since the bill mandated alignment with climate commitments for the main crown corporations providing funding, it also addressed the problem of fossil fuel subsidies since almost none could go forward under the "planning for a fossil-fuel free future" principle and the prohibition of CCUS for the fossil fuel sector.

Canada's industrial carbon pricing system

A strong, predictable Output-Based Pricing System (OBPS) ensures that large industrial emitters pay their fair share while supporting competitiveness and innovation. A consistent approach across federal and provincial systems sends clear investment signals, supports low-carbon industries, and helps Canada remain competitive amid global trade pressures.

The Canada Growth Fund (CGF) complements industrial carbon pricing by helping de-risk decarbonization investments through Carbon Contracts for Difference (CCfDs) and other credit-market tools. Ensuring these instruments operate efficiently is essential to attract private capital and protect public funds.

Recommendations [ECCC, FIN, NRCan]:

Budgets 2025 and 2026 should reaffirm the role of industrial carbon pricing. This approach supports trade diversification, as global partners adopt carbon border adjustments. The government should proceed with the 2025 pricing review, to address credit oversupply and advance market harmonization. This review is essential to remedy inadequate policy stringency that threatens the long-term integrity of credit markets, undermines business cases for low-carbon projects, and exacerbates risk to taxpayers as the government backstops certain CCfD liabilities of the CGF.

The CGF should be given ambitious delivery targets in Budget 2025, to mobilize private capital into CCfDs and credit offtake agreements that reinforce carbon pricing while enabling clean technology adoption, and help address Canada's climate, trade, and economic crises.

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Ending federal subsidies and financing for fossil fuels

The Government of Canada has shown leadership on fossil fuel subsidy reform, by developing the Inefficient Fossil Fuel Subsidies (IFFS) Framework and by committing to end international public finance for fossil fuels. Now it must follow through with robust implementation of the IFFS Framework and completing the phase-out of domestic support for fossil fuels. Ending public subsidies and financing for fossil fuels is essential for aligning Canada's financial flows with its climate commitments, sending clear market signals, and ensuring prudent use of taxpayer dollars.

Recommendations:

1. Publish a policy to phase out domestic public financing for fossil fuels. [FIN, ECCC]
 - a. Introduce a strong policy to end domestic public financial support for fossil fuels including the full scope of financial instruments, such as loans, equity, grants, guarantees, and insurance. This policy should cover financing for all fossil fuels across their entire life cycle, including support for decarbonization. It should also include a plan to phase out existing public finance and direct government investments.
 - b. Direct public financial institutions (PFIs) to increase transparency by publishing transaction-level data.
2. Commit to ending all fossil fuel subsidies by 2030. [FIN, ECCC]
 - a. Create a timeline for phasing out all fossil fuel subsidies by adding end dates to the exemptions in the IFFS Framework.
3. Ensure centralized and transparent reporting for all fossil fuel subsidies and public financing. [FIN, ECCC, PMO, PCO, NRCan, ISED]
 - a. Publish the results of Canada's long-overdue subsidies self-review, including a full inventory of all federal fossil fuel tax and non-tax subsidies and supports, and analysis for any deemed as 'efficient'. [FIN, ECCC]

- b. Create a central mechanism for transparency, accountability, and enforcement of policies to ensure they are upheld across departments. [FIN, ECCC]

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Moving towards a more circular economy by prioritizing upstream solutions, including reuse and repair

In 2020, Canada had a circularity rate of only 6%,¹⁵ an issue that needs to be addressed in a context of increasingly scarce natural resources. Unfortunately, priority circular economy strategies lack support.¹⁶

Despite several public policies to reduce the use of single-use plastics, there is no funding to support reuse initiatives, which would be vital to successfully scale up reusable alternatives and give greater access to zero waste solutions.

Despite the consultation and adoption of two bills on the right to repair in 2024, further measures are needed to adopt a more holistic approach and address the remaining barriers.

Recommended Investments:

- **\$100 million over three years** to establish a reuse fund to support development of reusable container and packaging solutions, **followed by \$35 million per year, ongoing**, until effective implementation of reusable containers and packaging. [ECCC, ISED]
- **\$87 million over three years, followed by \$87 million per year, ongoing**, to implement a repair fund. [ISED, FIN]

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¹⁵ Council of Canadian Academies, “Turning Point: The Expert Panel on the Circular Economy in Canada.” https://cca-reports.ca/wp-content/uploads/2022/01/Turning-Point_digital.pdf

¹⁶ Jacinthe Séguin and Laurie Giroux, “What We Heard Report: Reuse Symposium and Policy Dialogue on Reuse in Canada 2022.” <https://plasticactioncentre.ca/wp-content/uploads/2023/03/Symposium-on-Reuse-and-Policy-Dialogue-WHAT-WE-HEARD-REPORT-January-2023-final-2.pdf>

Canada's international climate and biodiversity finance contributions

In one more signal from the natural world, biologists working in some areas of the tropics are witnessing dramatic declines in insect populations and resulting ecological havoc. Climate change is a prime driver, along with pesticides.

This is not the time for the world to look away from the interrelated problems of climate change and global biodiversity loss. It is vital for Canada to meet its international finance commitments, plan increases, and apply funds to maximum effect.

Recommended Investments [GAC, ECCC]:

- **International Climate Finance:**
\$20 billion over five years (2026-31), with 40% applied to adaptation, 40% to mitigation, and 20% to loss and damage
- **International Biodiversity Finance:**
\$1 billion per year, ongoing

Priorities with climate finance include: least-developed countries and vulnerable populations; industry; agriculture, forestry and other land use; and Indigenous people (important allies in reducing tropical deforestation). The Climate Loss and Damage Fund should receive a substantial contribution from Canada. The Tropical Forests Forever Facility, a blended-finance mechanism proposed by Brazil, is worthy of Canada's consideration.

Priorities with biodiversity finance: Most of Canada's biodiversity aid is multilateral. Canada can complement this by supporting highly cost-effective conservation work by locally based organizations who lack the capacity to obtain grants from multilateral agencies. This can be done through conservation charities that specialize in partnering with such groups. Canada can address the problem of "paper parks" through finance mechanisms such as the Legacy Landscapes Fund and the Fondation pour les Aires Protégées et la Biodiversité de Madagascar. The proposed Tropical Forests Forever Facility is worthy of consideration for a contribution from Canada.

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Climate Action through Emissions Reduction

Sustainable career paths for workers in a rapidly changing world

Last year, the Government of Canada passed the *Canadian Sustainable Jobs Act*, requiring the creation of 5-year Sustainable Jobs Action Plans – the first of which must be produced by the end of 2025. With this deadline soon approaching, the Green Budget Coalition urges the Government of Canada to invest in initiatives that will catalyze improvements to the workforce development ecosystem. This investment will support workers as they navigate a rapidly evolving labour market and help them access work in community-based roles (e.g., home energy retrofits) as well as major infrastructure and nation-building projects (e.g., constructing clean energy corridors) that will contribute to economic growth and community resilience.

Total Recommended Investment:

Approximately \$353 million initial investment

The Green Budget Coalition recommends the following measures with the expectation that they would be refined through social dialogue with labour, Indigenous peoples, and other expert groups.

1) Top up the Sustainable Jobs Training Fund (SJTF) and the Union Training and Innovation Program (UTIP) - Sustainable Jobs Stream

\$200 million to support building additional training capacity and to help manage the increase in demand for new skills. The SJTF and UTIP allow for investment in existing institutions and training centres, such as union training centres and post-secondary institutions, to develop programs and utilize resources destined to train workers for demand-heavy skills needed to ensure the transition towards a decarbonized economy and the rapid development of clean energy infrastructure. [ESDC]

2) Stand up a Youth Climate Corps (YCC) to support youth employment and increase supply of skilled labour for nation-building initiatives

\$28 million as an initial investment in 2025 to stand up a YCC would build the internal coordination and program administration capacity required to launch the YCC in 2026, **with potential to scale to an annual investment of up to \$1 billion.**

Endorsed by nearly 200 civil society organizations,¹⁷ the YCC would expand the skilled labour pool for nation-building and disaster response efforts, while addressing persistently high rates of youth unemployment. The YCC would provide tens of thousands of young Canadians with meaningful, unionized work that supports sustainable career pathways. [ECCC, NRCan, ESDC]

An important complementary measure would be to improve the design and funding for the Youth Employment and Skills Strategy and Canada Summer Jobs programs to increase the number and length of available positions.¹⁸

3) Incentivize employer sponsored training and on the job upskilling programs

\$125 million to introduce a new 25% training credit to support employers in delivering on-the-job training for skills and technology required as part of the clean economy transition. On average, Canadian employers invest less in training when compared to other countries belonging to the OECD.¹⁹ Addressing this gap could support increased labour productivity and promote competitiveness in the global marketplace. [ESDC]

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¹⁷ “An Open Letter to Federal Political Leaders in Support of a Youth Climate Corps” (2024).

<https://www.goodgreenjobsforall.ca/openletter>

¹⁸ For more details, please see the GBC’s Recommendations for Budget 2025, p. 84.

<https://greenbudget.ca/past-recommendations>

¹⁹ Future Skills Centre, “Effective Employer Engagement in Skills Development.”

<https://fsc-ccf.ca/projects/state-of-skills-employers/>

Transportation

Double public transit ridership by 2035 to achieve Canada's housing ambition

Expanding transit services is crucial to this government successfully achieving its ambitious home-building target. Connecting housing to frequent, reliable, and accessible transit networks makes housing more accessible and reduces transportation costs for residents.

The socioeconomic benefits of public transit are well established: every dollar invested in transit can contribute up to \$29 in local economic returns. In contrast, congestion is costly — \$13 billion annually in Ontario and \$6 billion in Greater Montreal — and has impacts on health, stress, and quality of life. However, Canada significantly lags behind in urban public transit use, with ridership levels nearly 40% below the OECD average.

Today, federal funding is focused exclusively on infrastructure. However ridership will not increase without operational funding, which can reduce solo car use and cut emissions, all while creating green jobs in Canada.

A recent report²⁰ shows that by investing today in the right policies, Canada could double transit ridership by 2035 and cut GHG emissions by 65 megatonnes.

Recommendations [HICC]:

- Accelerate approvals and simplify the application process under the Canada Public Transit Fund;
- Supplement Canada Public Transit Fund with a new **\$3 billion per year, ongoing**, envelope dedicated to covering operating costs.

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Accelerate implementing a high-speed rail line between Québec and Toronto

The announcement of a high-speed rail (HSR) line between Québec City and Toronto marks a historic milestone for sustainable transportation. This transformative project for Canada's most populated corridor will offer a fast, low-emission alternative to air and car travel, while avoiding costly investments in road and airport infrastructure.

By gradually replacing short-haul flights and reducing solo car use, the HSR will significantly cut greenhouse gas emissions from transportation, while meeting growing mobility needs. It will also contribute to economic diversification by creating quality jobs in the rail sector, including infrastructure and rolling stock development, and free up capacity for freight transport.

Recommendations [TC]:

To maximize the project's positive impacts, the Green Budget Coalition recommends that the Government of Canada:

- Ensure that the funds reserved for the development of the Québec–Toronto high-speed rail project are allocated as outlined in the agreement (a total of **\$3.9 billion** for the full planning mandate);
- Accelerate preparatory steps that control costs and ensure speedy delivery from the start, building political momentum and confidence in the project;
- Launch a support program for municipalities affected by the HSR, enabling them to finance opportunity studies and adapt their land use planning and public transit systems to the new infrastructure.

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²⁰ Environmental Defence and Équiterre, "Putting Wheels On the Bus: Unlocking the Potential of Public Transit to Cut Carbon Emissions in Canada" (2024).
https://cms.equiterre.org/uploads/Fichiers/Full-report_Putting-wheels-on-the-bus.pdf

Expand Canada's public electric vehicle charging network

The Government of Canada must continue to build on the public and private investments made to date in the nation's electric vehicle (EV) charging infrastructure, by funding NRCan's Zero Emission Vehicle Infrastructure Program (ZEVIP).

Canada's governing party in its recent platform committed to "expanding the country's electric vehicle charging network by supporting the building of thousands of new stations by 2027". ZEVIP can be the foundation for this important nation-building initiative. ZEVIP's model of leveraging substantial private sector investment has been particularly effective according to the Environment and Sustainable Development Commissioner.

The ZEVIP priority of building charging infrastructure in underserved urban areas with multi-unit residential buildings, as well as rural, remote, and indigenous communities, must be maintained. A recent national report concludes that there continues to be a serious shortage of public charging stations. EV owners' dissatisfaction with the availability of public chargers ranges from 54% in Quebec to as high as 79% in other parts of Canada. The success of the federal ZEV mandate regulation will be contingent on an adequate supply of reliable, accessible EV charging stations across Canada.

See also Electrifying medium and heavy-duty vehicles, later in this document, regarding specific additional funding for charging MHDVs.

Recommended Investment:
\$325 million over three years [NRCan]

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Reinstate a more equitable iZEV program that supports the growth of a Canadian ZEV industry

The Green Budget Coalition recommends that the Government of Canada reinstate, starting in 2025, a one-time zero-emission vehicle (iZEV) incentive program that is more equitable, targeted at low- and moderate-income households, scaled according to vehicle type, and gradually phased out by 2030.

Recommendations [TC]: ZEV Purchase Incentives (\$1 billion over five years):

- **\$5,000** grant, income-tested and gradually reduced over time, for first-time buyers buying a new ZEV, adjustable based on vehicle energy efficiency;
- **\$2,500** subsidy for buying a used ZEV (stackable with provincial incentives);
- Bonus for low income buyers;
- Bonus for vehicles assembled in Canada;
- Bonus and removal of caps for carsharing and taxi vehicles; and
- Mandatory publication of historical prices by manufacturers and a **90-day price freeze** following subsidy announcements.

Other Program Components (\$310 million one-time investment):

- **\$100 million** to subsidize 50,000 electric bicycles (e-bikes);
- **\$200 million** for a scrappage program targeting combustion vehicles over 20 years old; and
- **\$10 million** for a public awareness campaign on ZEV use and dealer training.

Total Recommended Investment:
\$1.31 billion, partially funded through a **feebate system** targeting highly polluting vehicles, with exemptions for large families and certain professionals, such as trade workers.

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Electrifying medium and heavy-duty vehicles

As Canada looks to invest in its future, vehicle electrification should be a core component of this strategy. By 2026, electric mobility²¹ is expected to support over \$138.6 billion of Canada's GDP and contribute over 1.1 million jobs. Electrifying Canada's medium and heavy-duty vehicles (MHDVs) is a strategic investment that pays long-term dividends in jobs, health, resilience, and industrial competitiveness.

To accelerate Canada into the future, the Green Budget Coalition recommends the following:

Total Recommended Investment: \$617.8 million over four years

1. **Vehicle Incentives:**
\$405.8 million over four years to renew the as-yet unspent portion of the **Incentives for Medium and Heavy-Duty Vehicles (iMHZEV)** program, with an increased vehicle cap and tailored support by vehicle class. iMHZEV is seeing growing momentum as more vehicles become available. However, the program is scheduled to end by 2025. The momentum should be encouraged by extending the program. [TC]
2. **MHDV Charging Infrastructure:**
\$212 million over three years to the **Zero-Emission Vehicle Infrastructure Program**, for MHDV charging (public, shared, and depot sites), with a focus on cost-effective investments through identifying and prioritizing high-impact locations. The funding should include support for Electric Vehicle Energy Management Systems. This MHDV charging funding stream should be additional to, and complement, funding the light-duty vehicle charging network (*see Expand Canada's public electric vehicle charging network, earlier in this document*). [NRCan]

Recommended allocation of existing funding:

3. **Electrify School Buses:**
Earmark **\$1 billion over the next four years** from the upcoming Canada Public Transit Fund (CPTF) for school bus electrification, with an accelerated process that provides certainty and reduces approval times, such as a point-of-sale rebate. Electric school buses support local economies and provide cleaner, healthier, and quieter rides for our children. Many fleet operators want to electrify but have been stymied by the lengthy approvals process in the previous Zero Emissions Transit Fund. The federal government has an opportunity to move quickly by specifically earmarking these funds from the CPTF. [HICC]

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²¹ Electric Mobility Canada, "Electrifying Progress: A Complete Economic Outlook of the Canadian EV Industry."
https://emc-mec.ca/wp-content/uploads/2025/04/PUBLIC-OFFICIAL-April-10-2025-EMCs-Economic-Report_EN.pdf

Marine shipping

Shipping is essential to Canada's economy and global reach, but it must evolve to protect nature and respond to shifting strategic priorities. Sustainable shipping supports the well-being of Indigenous and coastal communities by slowing biodiversity loss, cutting pollution, and reducing climate emissions. By investing in cleaner, safer shipping, Canada can meet its international commitments and reinforce its role as a steward of its waters across its three oceans.

Total Recommended Investment:
\$638 million over five years

Recommendations:

Accelerating zero-emission shipping and protecting biodiversity:

1. Zero-emission vessels: **\$20 million over two years** for R&D and sea trials to meet the target of 100% zero-emission vessels in Canadian inland waters by 2030. [TC]
2. GHG Emission Reduction Innovation Fund: **\$10 million over two years** to provide advisory and capacity-building services to assist with vessel design, retrofit and testing for wind-assist, solar, electrification, autonomous technology and digitalization, and hull appendages. [TC, NRCan]
3. Alternative fuels: **\$100 million over five years** to ensure alternative fuels are available at Canadian ports to ensure full decarbonization of Canadian shipping before 2050. Consideration should only be given to alternative fuels that offer significant life-cycle GHG benefits on a well-to-wake basis, including land-use change emissions. Liquified natural gas, liquified petroleum gas, and other fossil fuels should be excluded. [TC, ECCC, HICC]
4. Marine fuel carbon pricing: **\$5 million over two years** to develop and implement a policy instrument to explicitly include domestic shipping in the Canadian carbon pricing system. [TC, ECCC, DFO]

5. Green port infrastructure: **\$500 million over five years** to accelerate shore power adoption by ensuring vessels and ports are equipped with the necessary infrastructure. [TC, ECCC, HICC]
6. Electronic Navigational Charts: **\$3 million over three years** to support the integration of marine protected areas (MPAs) and Other Effective Area-Based Conservation Measures (OECMs) into electronic navigational charts (ENCs). This can be achieved by developing S-122 data products that are fully compatible with the International Hydrographic Organization's (IHO) Universal Hydrographic Data Model (S-100). Doing so will ensure that spatial conservation measures are accurately represented in marine navigation systems, enhancing awareness and compliance among mariners and supporting Canada's broader marine conservation and biodiversity goals. [DFO, ECCC, PC, TC]

Tools to generate revenue:

- Cruise tourism fee: Establish an environmental surcharge on cruise ships entering Canadian waters, based on measurable factors such as passenger capacity, to fund environmental monitoring and stewardship initiatives like the Indigenous Guardians Program. [TC, ECCC]
- Vessel pollution control fund: Require the collection of fees from vessels and deposit such fees in the fund to support the innovation programs specified above. [TC]
- Insurance fund: Establish a legally mandated insurance fund, financed by the marine sector, to compensate local and Indigenous communities for public health, environmental, and cultural impacts resulting from disruptions or disasters. [TC]

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Climate Adaptation

Ramping up core adaptation investments to increase resiliency in the face of climate change

To support implementation of the National Adaptation Strategy (NAS), the Green Budget Coalition recommends scaling up federal core adaptation investments from \$6.6 billion over the past decade to:

At least \$66 billion over the next eight years (2026-2034) for core adaptation programs [NRCan, HICC, ECCC, HC, ISC, CIRNAC, and other departments and agencies].

Scaling Up Investments to Date and Addressing Gaps

Immediate funding priorities include:²²

- Surge funding to the Disaster Mitigation and Adaptation Fund (DMAF), including a federal platform commitment of a **\$500 million top-up, followed by \$2 billion in 2026 and at least \$1 billion per year for ten years thereafter.**²³
 - Surge funding would scale up proven, large-scale risk reduction investments that DMAF is already set up to fund, but for which demand has consistently far outstripped available dollars.
 - High-impact areas for additional funding would include: flood protection infrastructure; strategic home relocation; wildfire risk reduction; nature-based infrastructure; and critical facility upgrades.
 - Investments could be made in existing provincial and municipal project pipelines in these categories.
- Renewing Canadian Institutes of Health Research (CIHR)'s funding for policy-relevant research into the link between climate change,

severe weather events, and health outcomes in Canada, for **\$80 million over five years**; and

- Funding and implementing Indigenous Climate Leadership (ICL), with Indigenous partners able to direct how funding is used and choose which partners to work with.*

Additional priorities include:

- Hazard mapping, with a focus on flooding and wildfires;
- Retrofits for the hundreds of thousands of Canadian homes at risk to climate impacts (*see Climate resilient housing, earlier in this document for more details*);
- Additional funds to implement the National Flood Insurance Program;
- Targeted programs for people with health conditions and disabilities, and other marginalized and underserved populations particularly vulnerable to climate change;
- Natural infrastructure, such as forested areas and wetlands to protect against natural disasters, including but not limited to flooding, storm surges, extreme heat, and mudslides (*see Delivering on nature commitments, earlier in this document*).

** The Green Budget Coalition supports the request of the Métis Nation for emergency management funding.*

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²² Climate Proof Canada, "National Climate Adaptation Summit Day Recommendations" (2023).
<https://www.climateproof.ca/s/NationalClimate-Change-Adaptation-Summit-Recommendations.pdf>

²³ A priority for DMAF top-up funding is supporting emergency planning and disaster recovery in equity-deserving and low-income communities.

Nature-Positive Agriculture

Nature-positive agriculture: economic growth that supports biodiversity and builds climate resilience

The Canadian agri-food and agriculture sector is at a critical juncture. As a sector inherently tied to the rhythms of nature, it is uniquely vulnerable to the impacts of climate change. These impacts threaten Canada's ability to produce food, fiber, and fuel for both domestic consumption and the global market. Despite these considerable challenges, the agriculture sector holds significant potential to advance solutions for achieving national and international goals or commitments such as mitigating climate impacts and reversing biodiversity loss.

The Green Budget Coalition envisions Canada as a leader in sustainable and innovative agriculture, with a resilient and diversified food system. For Canada to sustainably intensify production and drive broader food system outcomes by improving food security, adapting to climate change, and managing demands on limited natural resources, it is integral that producers are encouraged and incentivized to adopt and augment climate-smart and nature-positive practices and technologies. This must be a collective priority, balancing the immediate needs of Canadians with the long-term health of our environment.

The Green Budget Coalition recommends that the federal government invest in initiatives that enable producers to scale up nature-positive, climate-smart agriculture through five key pillars: adaptation and resilience, soil health, water quality, climate change mitigation, and biodiversity. This package of recommendations offers a pragmatic, investment-driven approach to sustainable agriculture by leveraging market mechanisms, empowering producers, and positioning Canada as a global leader in climate-smart food systems. Investment in these initiatives will advance Canadian economic sovereignty while creating jobs, strengthening food security, and restoring ecosystems, while achieving commitments under

the 2030 Emissions Reduction Plan and the 2030 Nature Strategy.

**Total Recommended Investment:
\$2.52 billion over five years, followed by \$87 million per year, ongoing**

1. Empowering Producers for a Sustainable and Profitable Future [AAFC]

To ensure that sustainability is not only achievable but economically viable for Canadian farmers, ranchers, and producers, the federal government should:

- Expand financial and technical support to make sustainable practices profitable and scalable;
- Increase access to new markets for sustainably produced goods, enhancing competitiveness and trade opportunities; and
- Invest in extension services and peer-to-peer learning to accelerate the adoption of best management practices and innovation across the sector through private-public partnerships. **(\$250 million over five years)**

2. Protecting Canada's Natural Capital for Community Resilience and Economic Growth [AAFC, ECCC, StatCan, NRCan, CIRNAC]

Canada's working landscapes provide critical ecosystem services that support biodiversity, climate mitigation, and rural economies. To unlock their full potential, the federal government should:

- **Develop a national land use action plan** with provinces, territories, and Indigenous partners **(\$40 million over five years);**

- **Support marginal area programs** to enhance ecological and economic returns (**\$50 million over five years**);
- **Fund ecological services markets** to quantify and reward on-farm environmental benefits (**\$75 million over five years**); and
- **Establish a Payment for Ecosystem Services program to incentivize avoided conversion** of wetlands, grasslands, and forests (**\$125 million over five years**).

3. **Building Climate Resilience through Innovation and Risk Management** [AAFC, ECCC, HC, ISC, CIRNAC, StatCan, NRCan]

To prepare Canadian agriculture for a changing climate, global market shifts, and ensuring long-term productivity, the federal government should:

- **Develop and implement a national soil health strategy** to protect and enhance soil as a foundational natural asset (**\$15 million over five years, growing from \$1 million in 2025-26 to \$5 million in 2029-30**);
- **Improve climate, biodiversity, and soil health data systems** to support risk

forecasting, planning, and adaptive management (**\$500 million over five years**);

- **Advance social science research** to ensure Best Management Practices (BMPs) are economically viable (**\$250 million over five years**);
- Integrate climate risk and innovative insurance models into business risk management (BRM) programs (**\$615 million over five years, followed by \$87 million per year, ongoing**);
- **Integrate Livestock Price Insurance** into AgriInsurance (**\$350 million over five years**);
- **Develop early warning systems** for climate-related events (e.g., drought, floods) (**\$250 million over five years**); and
- **Review and realign harmful subsidies** to support nature-positive practices (cost-neutral).

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Environmental Justice and Toxics

Pesticide monitoring and regulation

Recommended Investment:
\$150 million over five years

- **\$50 million** to support PMRA's implementation of important and ongoing regulatory policy and process improvements including acceleration of continuous oversight and transparency initiatives. [PMRA]
- **\$5 million top-up in 2025, \$40 million 2026-2030** to expand and extend pilot water monitoring for pesticides. [PMRA, in collaboration with ECCC]
- **\$25 million over five years** to collect and publish pesticide sales and use data **plus \$5 million in 2025** for publicly-accessible portal to communicate real-time pesticide use data. [PMRA, in collaboration with AAFC]
- **\$25 million over five years** for monitoring work to assess and track overall pesticide risks to biodiversity in order to report on the Global Biodiversity Framework Target 7 (reduce pesticide risk by 50% by 2030). [ECCC]

The Green Budget Coalition supports PMRA's proposed increase in fees for pesticides and recommends increasing the proportion of costs to be recovered and expanding cost recovery.

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Office of Environmental Justice

Too often in Canada, racialized and disadvantaged communities bear a disproportionate burden from environmental degradation and preventable environmental health hazards, such as pollution and toxic substances in consumer products. Environmental injustice exacerbates climate change impacts and other inequities that these communities experience.

The Government of Canada needs to invest in institutional capacity, as well as research and community capacity building, to ensure that environmental protection programs, policies, investments, and laws account for community and population-level inequities and advance environmental justice.

The Green Budget Coalition recommends funding the establishment of a permanent, high-level Office of Environmental Justice, housed at ECCC, to:

- Lead the development of a national strategy on environmental racism and environmental justice and support its implementation;
- Work with ECCC's enforcement branch to advance environmental justice through the enforcement of federal environmental laws in underserved communities;
- Develop a publicly-accessible screening and mapping tool that overlays environmental, health and socio-demographic data; and
- Develop collaborative partnerships and manage a new environmental justice community grants fund.

Recommended Investment:

\$555 million over five years, followed by \$77 million per year, ongoing [ECCC]

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Nature and Biodiversity Conservation: Delivering on Commitments

Reducing Threats to Biodiversity (KMGBF Targets 1-8)

Nationwide Connectivity Fund and the launch of a Federal Wildlife Crossings Pilot Program

(Targets 1, 2, 3, 12, 14)

Wildlife crossings—such as overpasses and underpasses—are critical infrastructure that have proven to significantly reduce wildlife-vehicle collisions, enhancing both human safety and the conservation of species-at-risk. By reconnecting fragmented habitats, these crossings allow wildlife to safely traverse landscapes, reducing fatalities and preserving biodiversity. Additionally, they lead to long-term cost savings by lowering emergency response costs, insurance claims, and vehicle damage.

A nationwide fund – collaborating with provinces, territories, and Indigenous governments – will support the expansion of these vital initiatives across the country, enabling a seamless approach to wildlife conservation and public safety, investing in both environment and communities.

Recommended Investment:

\$500 million over five years [ECCC, PC, HICC]

This recommendation complements and strengthens the earlier recommendation, in the feature nature recommendation, for renewing Parks Canada's National Program for Ecological Corridors.

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Habitat Infrastructure Renewal Fund (Targets 1, 2, 3, 8, 11)

Recommended Investment:

\$520 million over four years to renew critical infrastructure with valuable ecosystem services. [HICC, ECCC, PC]

Canada has a proud legacy of conservation leadership, with early and ongoing collaboration between governments and non-profit organizations to protect natural landscapes. Many of these efforts have resulted in long-standing conservation infrastructure that support biodiversity, climate resilience, and Canadians' connection with nature.

While the federal government has made commendable investments in infrastructure renewal for Parks Canada and the Canadian Wildlife Service, non-profit conservation organizations – who have played a parallel and complementary role in landscape-level conservation – have not received equivalent support. These organizations are now facing aging infrastructure that threatens the ecological gains made.

The Green Budget Coalition recommends the creation of a fund that would support not-for-profit land trusts and conservancies to renew and upgrade critical conservation infrastructure that advances ecological outcomes, protects natural spaces, and safeguards Canadian communities. Investments in this fund would directly contribute to meeting Canada's climate and nature commitments including those outlined in the 2030 Nature Strategy.

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Renew and expand the Natural Heritage Conservation Program (NHCP) (Targets 1, 3, 4)

Nature is core to Canada's identity and the Natural Heritage Conservation Program (NHCP) is committed to working with the Government of Canada to protect more nature than ever before. Since 2007, the NHCP has united communities by delivering over 2,200 conservation initiatives spanning 350 municipalities from coast to coast to coast, resulting in more than 800,000 hectares of secured habitat.

This made-in-Canada public-private partnership has attracted private capital and other sources of funding that consistently deliver strong federal returns on investment. To date, the NHCP partners have invested more than \$1 billion of matched funding in conservation projects, leveraging funds from the Government of Canada to create more than \$1.5 billion in conservation investment since 2007.

The NHCP is projected to run out of funds before March 2026. A renewed and enhanced NHCP partnership will further its value and conservation actions.

Recommended Investment:

\$250 million over five years to be matched at a minimum of 1:1 by program partners, creating up to \$625 million in new conservation investment. [ECCC]

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Private Land Conservation Endowment Fund (Targets 1, 3, 4)

The Green Budget Coalition recommends the establishment of a Canada Conservation Investment Fund to ensure the long-term stewardship of privately conserved lands. Modeled after the Canada Cultural Investment Fund, this endowment fund would attract private conservation investment, support job creation, and strengthen the local and regional land trust sector that plays a crucial role in protecting Canada's most threatened landscapes, especially in southern regions. It would also enhance the reach and impact of Canada's land conservation programs.

This fund would provide essential infrastructure to expand private land conservation, foster sector growth and diversity, and secure long-term stewardship. To truly achieve permanent protection of natural areas, sustained federal investment in local and regional land trusts is essential.

Recommended Investment:

\$150 million over ten years for an endowment fund that would provide a sustainable funding stream to boost the capacity of community-rooted land trusts in caring for natural areas in perpetuity. [ECCC, PC, FIN]

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Build a National Native Seed Strategy to scale ecological restoration and grow a native plant economy (Target 2)

To meet Canada's biodiversity and climate commitments—including the Global Biodiversity Framework's Target 2 on restoration—a reliable, ecologically appropriate supply of native seed is essential. Yet Canada currently lacks the infrastructure, coordination, and market conditions to support restoration at scale.

We are recommending the federal government fund the **National Native Seed Strategy with \$50 million over five years**, supported by sustained investment and interagency coordination across ECCC, NRCan, AAFC, and ISC.

This strategy should:

- Ensure availability of native seed stock;
- Support First Nations leadership and entrepreneurship;
- Provide financial support for training, employment, and certification programs;
- Expand infrastructure and access to financing;
- Fund seed testing and quality assurance; and
- Invest in applied research.

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Protecting Canada's Arctic: a strategic imperative for nature, climate, security, and reconciliation (Targets 3, 5, 11, 12, 22)

Canada has an opportunity in Budget 2026 to protect the Arctic for its biodiversity, irreplaceable role in the nation's climate strategy, geopolitical posture, and commitment to Indigenous leadership, as well as for its economic potential.

Recommendations [CIRNAC, ECCC, DFO, PC]:

1. Commit to finalizing the Nunavut Land Use Plan (NLUP), and funding the costs associated with any Inuit Impact and Benefit Agreement associated with implementation. Exact budget requirements should be negotiated with Nunavut Tunngavik Inc, the three Regional Inuit Associations and the Government of Nunavut, and should be reflective of the significant contribution the finalization of the NLUP will have towards the Government of Canada's international conservation targets.
2. Commit to renewing all existing Guardians programs in the Canadian Arctic due to expire in March 2026, in addition to adding fifty more Arctic Guardians, as contained in the Liberal Party platform. Further, all Guardians should be paid a living wage with full-time positions. Fifty more Guardians positions in the Arctic is worthwhile, but doing so without renewing those existing agreements would leave capacity gaps in communities and halt momentum towards the environmental stewardship and Arctic sovereignty services that existing Arctic Guardians provide.

Investments in Arctic conservation will also catalyze a northern conservation economy, supporting ecosystem monitoring, scientific research, tourism, sustainable harvest, and climate mitigation.

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Renewal of Habitat Stewardship Program for species at risk (Targets 1, 2, 3, 4, 14)

Renew the Habitat Stewardship Program to build upon the work being done to support tangible and measurable conservation outcomes, such as habitat protection, improvement, and threat abatement. This program is essential to meet many commitments made in the 2025 Liberal platform and costing plan, such as rehabilitating and mitigating environmental and species at risk impacts in areas where we expect there to be significant new infrastructure, and halting and reversing nature and biodiversity loss through reinforced efforts to conserve 30% of lands and waters by 2030 and implementing the Global Biodiversity Framework.

Recommended Investment:

\$32.5 million over four years (2026-2030) [ECCC, DFO, PC]

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Halt and reverse losses of Canada's bird populations (Targets 2,3,4,10,21)

The State of Canada's Birds 2024 report showed that many of our bird populations are in trouble. Since 1970, there are 67% fewer grassland birds, 43% fewer aerial insectivores and 42% fewer shorebirds, while waterfowl and birds of prey show positive trends. Ecosystem health throughout much of the Americas depends on the services provided by the billions of birds born in Canada annually. Birds also connect us to nature. We cannot afford to lose more birds due to human actions. In this budget, the Green Budget Coalition urges the federal government to invest in birds by funding efforts to reduce human-caused risks to birds and improving their habitats. The Green Budget Coalition is calling for strategic investments to halt and reverse bird population declines.

Total Recommended Investment:

\$30 million over four years [ECCC – Canadian Wildlife Service] to:

1. Mitigate human-related bird mortality in urban and working landscapes (agricultural and forestry) in Canada by supporting actions that directly address major human-related causes of direct and indirect bird mortality (e.g., destruction of habitat, pesticide use, collisions with human-built structures). **\$12 million over four years**
2. Protect and restore key habitats and areas for grassland birds, aerial insectivores, and shorebirds. Develop and implement an action plan to identify, prioritize, and protect critical areas for these three groups of species. **\$12 million over four years**
3. Maintain strong science programs to inform conservation efforts - **\$6 million over four years**

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Invasive species – controlling economic, social, & environmental impacts (Target 6)

Recommended Investment:

\$250 million over five years to effectively manage and mitigate the catastrophic economic, social, and environmental impacts of invasive species in Canada. [ECCC, PC, DFO, AAFC, NRCan, HC, CFIA, PS]

Key Actions:

- Prevent new invasive species by identifying key pathways for their introduction and provide education, resources, and training;
- Develop, implement, and monitor a National Framework for Early Detection and Rapid Response to ensure effective and early response to new and emerging invasive species;
- Enable and support cross-sectoral partnerships in planning, control, monitoring, and reporting to restore and improve habitats; and
- Ensure access to, and encourage the use of, strong science to inform management and provide transparent reporting to evaluate effectiveness of programs and policies.

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Monitoring, managing, and reducing underwater noise pollution (Target 7)

Recommended Investment:

\$350 million over five years

- **\$25 million** to finalize and release the *Ocean Noise Strategy* via a thoroughly consulted *Action Plan*, including ecosystem-specific noise targets (e.g., Salish Sea, Saguenay–St. Lawrence, Eastern Arctic), and to launch regional noise management frameworks integrated across federal marine programs. [DFO, TC, PC]
- **\$200 million** to: reduce commercial vessel noise through expanded research and implementation programs like the *Quiet Vessel Initiative*; finalize the *Underwater Vessel Noise Reduction Advisory Group*; operationalize performance-based noise planning for vessel operators; and advance Canada's leadership at the International Maritime Organization (IMO) on Underwater Radiated Noise and as co-lead of the *High Ambition Coalition for a Quiet Ocean*. [TC]
- **\$125 million** to implement noise monitoring and management in priority marine areas, with integration into MPAs, OECMs, IPCAs, and Critical Habitat. Emphasize public data transparency, interjurisdictional coordination, and operational frameworks in collaboration with Transport Canada. [DFO, PC]

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Marine spatial planning (MSP) (Targets 1, 3, 4)

Developing participatory, integrated, and biodiversity-inclusive spatial plans is the focus of the first target of the KMGBF.

Marine spatial planning (MSP) provides foundational support to meeting the KMGBF's other ocean related targets. Successful MSP initiatives address biodiversity conservation while also providing certainty to economic sectors, by helping to reduce conflicts between users of ocean space. MSP is based on participatory governance arrangements involving multiple levels of government, including Indigenous governments and stakeholders that require capacity support and ongoing funding.

This funding would build on the previous work to develop first generation plans in five ocean regions and allow full marine spatial plans to be developed for these regions and Canada's remaining eight regions.

Recommended Investment:

\$75 million over five years, followed by \$15 million per year, ongoing, to complete collaborative marine spatial planning processes in all ocean bioregions. [DFO, ECCC, PC, NRCan, TC]

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Ratification and implementation of the High Seas Treaty (Targets 1, 3, 13, 20)

Covering over half the globe and 64% of the global ocean, the high seas include ecologically vital yet critically threatened habitat, and the least protected areas on Earth. The High Seas Treaty is the first international and legally binding framework to protect high seas biodiversity and address current threats including pollution, overexploitation, and climate change.

In June 2023, the international community adopted the *Agreement under the United Nations Convention on the Law of the Sea (UNCLOS) on the Conservation and Sustainable Use of Marine Biodiversity of Areas beyond National Jurisdiction* (BBNJ Agreement, also known as the High Seas Treaty).

The treaty sets out a legal framework and process for establishing networks of marine protected areas in the ocean beyond national jurisdiction, helping to realize the KMGBF target of protecting 30% of the ocean by 2030. Other provisions include environmental impact assessment, the marine genetic resources benefit sharing, and the transfer of marine technology.

Canada has been instrumental in treaty negotiations and signed the agreement in March 2024. Canada must now ratify the treaty. Prior to ratification, funding must be allocated to implement the new treaty, including for mandatory and other contributions as well as for internal negotiating and policy capacity.

Recommended Investment:

\$25 million over five years, followed by \$6 million per year, ongoing [DFO, GAC, ISD]

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Meeting People's Needs (KMGBF Targets 9-13)

Managing ocean fisheries (Target 10)

Advancing the ecosystem approach to fisheries management

Through its GBF commitments and 2030 Nature Strategy, Canada has committed to the adoption and systematic implementation of an ecosystem approach to fisheries management (EAFM). To date, Canada's implementation of EAFM has been opportunistic and inconsistent; however, in 2023 Canada began developing a strategic plan to guide the consistent implementation of EAFM. Support will be needed to ensure that EAFM can be systematically implemented across Canada's diverse array of regions, ecosystems, and fish stocks.

Recommended Investment:

\$40 million over five years [DFO] to:

- Support ecosystem assessments;²⁴
- Establish regional data repositories to support EAFM development and application;²⁵ and
- Ensure sufficient technical capacity to integrate environmental and ecological variables into fish stock assessments.

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Keeping Canada's seafood competitive

Seafood is one of the most complex and highly traded commodities, and Canada plays a significant role as a harvester, exporter, and importer. However, Canada is falling behind its major trading partners in protecting our market from seafood linked to illegal fishing, environmental degradation, and human rights abuses. While other countries have implemented rigorous import controls and traceability requirements, Canada requires minimal information.

This regulatory gap puts our domestic fisheries and responsible companies at a competitive disadvantage. It also jeopardizes consumer trust and risks allowing illegal or unethical products to undercut Canadian producers. Despite rising public demand for local and sustainable food, consumers currently lack the basic information needed to make informed seafood choices. The government must invest to level the playing field and to protect our economy and ecosystems:

Recommended Investment:

\$150 million over five years [DFO, CFIA, AAFC] to:

- Establish strong seafood traceability regulations and import controls, consistent with requirements globally; and
- Implement mandatory seafood labelling requirements, including: the ocean region where it was caught or farmed, species name (common and scientific), and fishing/farming method.

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²⁴ P. Pepin et al., "Fisheries and Oceans Canada's Ecosystem Approach to Fisheries Management Working Group: Case Study Synthesis and Lessons Learned" (2023).
https://publications.gc.ca/collections/collection_2023/mpo-dfo/Fs97-6-3553-eng.pdf

²⁵ D. E. Duplisea. et al., "Gulf of St Lawrence ecosystem approach data matrix R-package."
<https://github.com/duplisea/gslea>

Building a modern fisheries catch monitoring and observer system

Fisheries catch monitoring is essential for science, enforcement and compliance, improving business performance of fleets, and verifying of standards. Canada is supporting improved compliance and monitoring of countries around the world, however at home Canada's fisheries monitoring is failing to achieve its target coverage levels.

Electronic monitoring (EM) has been at the forefront of discussions on how to address shortcomings of the system and increase reliable catch data in Canada. There is industry and stakeholder interest in improving at-sea observer programs and developing EM standards and pilots, but resources are needed to prevent this work from stalling.

Recommended Investment:

\$60 million over three years [DFO] to:

- Support up-front costs for EM pilot projects and increased coverage for high risk fisheries;
- Establish EM standards, data management policies, and modern data processing tools;
- Support recruitment for well-paying observer jobs; and
- Commit to dedicated capacity for coordination of work across regions.

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Freshwater management (Target 11)

Recommended Investment:

At least \$1 billion over five years in targeted investments to support healthy and secure waters across Canada, in the following areas:

1. Invest in and expand the **Freshwater Action Plan** to include more water bodies and improve water quality and quantity, restore aquatic ecosystems, support community resilience to climate change, and strengthen watershed governance. **\$700 million over five years** [ECCC, CWA, PC, DFO]
2. Invest in a **Strategic Water Security Technology Fund** to support the development and implementation of Canadian R&D, AI, data, and monitoring tools, in partnership with the ENGO sector, to bolster made-in-Canada solutions to meet the water crisis head on, in a collaborative and sustainable manner. **\$100 million over five years** [ECCC, CWA, PC, DFO, ISED]
3. Building on the momentum from the Tripartite Agreement on Nature Conservation, **expand the BC Watershed Security Fund** to support Pacific freshwater resilience, complement the Pacific Salmon Strategy Initiative, and support Indigenous-led salmon recovery, habitat restoration, climate resilience planning, and expansion of the Watershed Workforce. **\$200 million over five years** [ECCC, CWA, PC, DFO]
4. Plus **additional funding for the Canada Water Agency** to carry out its mandate and commitments in full capacity. [ECCC, CWA]

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Tools and Solutions *(KMGBF Targets 14-23)*

Reducing nature harmful subsidies (Target 18)

Each year, the federal government spends billions on subsidies to support a wide range of industries. By targeting 76 subsidies identified by economist Dave Sawyer as strong candidates for reform — worth about \$5.7 billion per year — governments could free up funds to meet other objectives or reprofile to programs that support rather than harming nature.²⁶ In a tight fiscal environment it will be important to reduce these subsidies carefully, while continuing to seek out non-harmful economic development opportunities. The Green Budget Coalition recommends a phased, practical approach to systematically identify and review harmful subsidies by 2026, and remove or reform harmful subsidies by 2027. [FIN, ECCC, DFO, AAFC, NRCan]

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Wildlife Habitat Conservation Stamp (Target 19)

Recommended Investment:

Support the Canadian Wildlife Habitat Conservation Stamp, a government-created capital investment established in 1984, by increasing the price of the Canadian Wildlife Habitat Conservation Stamp to \$20. [ECCC]

Similar to the US Federal Duck Stamp,²⁷ the Canadian Wildlife Habitat Conservation Stamp (“the Stamp”)—which migratory game bird hunters are required to purchase with their federal hunting permit—raises funds for conservation and draws attention to the importance of wildlife and their habitats. Since the inception of the Stamp Program in 1984, stamp and print sales have directly provided over \$64 million for wildlife habitat conservation across Canada. However, the price of the Stamp (\$8.50) has not changed since 1991. With CPI-adjustments, an \$8.50 Stamp in 1991 would cost almost \$16 in 2023. Additionally, inflation and a decline in the number of waterfowl hunters over this period have significantly weakened the effectiveness of Stamp funds for the protection of Canadian wetlands and wildlife habitat conservation, including migratory game bird habitat and other native species and at risk species.

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²⁶ Dave Sawyer, “Bio-fiscal reform: Aligning federal subsidies in natural resource sectors with Canada’s biodiversity commitments.” <https://www.enviroeconomics.org/single-post/nature-on-the-federal-balance-sheet-it-s-time-for-bio-fiscal-reform>

²⁷ The cost of the US Federal Duck Stamp in 2025 was expected to be USD \$25.

Appendix 1 - Summary Table of Recommendations' Recommended Investments and Revenue Increases

millions of dollars

Recommendation Subrecommendation	Expected Lead Department(s)	2025-26	2026-27	2027-28	2028-29	2029-30	5-year total	Annual Continuing
FEATURE RECOMMENDATIONS								
Preserving federal environmental capacity	TBS, FIN	No additional cost.						
A modern, resilient East-West electricity grid based on renewables								
Capital investments in strategic transmission infrastructure	NRCan, FIN	4,000	4,000	4,000	4,000	4,000	20,000	
Match prov. funding for demand side management projects	NRCan, FIN	1,300	1,300	1,300	1,300	1,300	6,500	
Indigenous-led and -owned projects	NRCan, FIN	1,000	1,000	1,000	1,000	1,000	5,000	
Climate resilient housing								
Retrofit programs	NRCan, HICC	1,000	2,000	2,000	2,000	2,000	9,000	2,000
National Affordable Home Energy Strategy	NRCan, HICC	5					5	
Retrofits and energy efficiency upgrades in Indigenous communities	ISC, CMHC, CIB	540	540	540	540	540	2,700	
Delivering on nature commitments – protect and restore nature to catalyze a conservation economy								
Marine Conservation Targets	DFO, ECCC, PC, NRCan, TC, CIRNAC	200	200	200	200	200	1,000	200
Enhanced Nature Legacy Fund	ECCC, PC, DFO, HICC, NRCan	500	500	500	500	500	2,500	
Long-term funding for Parks Canada	PC	135	135	135	135	135	675	400
National Habitat Restoration Fund	ECCC, PC, NRCan, DFO, CIRNAC	50	50	50			150	
National Mapping and Monitoring	ECCC, StatCan, ISED, NRCan, DFO, PC	60	60	60	60	60	300	
Permanently fund Chemicals Management Plan	ECCC, HC		200	300	300	300	1,100	300
Funding Indigenous climate and conservation leadership	To be determined through engagement with Indigenous Peoples.							
INTEGRATING CLIMATE AND NATURE ACROSS CANADA'S FINANCIAL SYSTEMS, FISCAL POLICY, AND INTERNATIONAL FUNDING								
Sustainable finance	FIN, ECCC	No additional cost.						
Canada's industrial carbon pricing system	ECCC, FIN, NRCan	No additional cost.						
Ending federal subsidies and financing for fossil fuels	FIN, ECCC, PMO, PCO, NRCan, ISED	No additional cost.						
Moving towards a circular economy by prioritizing reuse and repair								
Reuse fund	ECCC, ISED	34	33	33	35	35	170	35
Repair fund	ISED, FIN	29	29	29	87	87	261	87
Canada's international climate and biodiversity finance								
International climate finance	GAC, ECCC		4,000	4,000	4,000	4,000	16,000	4,000
International biodiversity finance	GAC, ECCC	1,000	1,000	1,000	1,000	1,000	5,000	1,000
CLIMATE ACTION THROUGH EMISSIONS REDUCTIONS								
Sustainable career paths for workers								
SJTF and UTIP Fund	ESDC	200					200	
Youth Climate Corps	ECCC, NRCan, ESDC	28					28	
Employer-sponsored training & upskilling	ESDC	125					125	
Transportation								
Double public transit ridership by 2035	HICC	3,000	3,000	3,000	3,000	3,000	15,000	3,000
High-speed rail	TC	3,900					3,900	
Expand Canada's public EV charging network	NRCan	109	108	108			325	
Reinstate a more equitable iZEV program								
ZEV purchase incentives	TC	200	200	200	200	200	1,000	
Other program components (e-bikes, scrappage, public awareness campaign)	TC	310						
Electrifying MHDVs								
Vehicle incentives	TC	102.8	101	101	101		405.8	
MHDV charging infrastructure	NRCan	71	71	70			212	
Electrify school buses	HICC	No additional cost.						
Marine shipping								
Zero-emissions vehicles	TC	10	10				20	
GHG Emission Reduction Innovation Fund	TC, NRCan	5	5				10	
Alternative fuels	TC, ECCC, HICC	20	20	20	20	20	100	
Marine fuel carbon pricing	TC, ECCC, DFO	2.5	2.5				5	
Green Port Infrastructure	TC, ECCC, HICC	100	100	100	100	100	500	
Electronic Navigational Charts	DFO, ECCC, PC, TC	1	1	1			3	
CLIMATE ADAPTATION								
Ramping up core adaptation investments	NRCan, HICC, ECCC, HC, ISC, CIRNAC	8,250	8,250	8,250	8,250	8,250	41,250	8,250

NATURE-POSITIVE AGRICULTURE									
Nature positive agriculture: economic growth supporting biodiversity & climate resilience									
Empowering producers	AAFC	50	50	50	50	50	250		
Protecting natural capital	AAFC, ECCC, StatCan, NRCan, CIRNAC	58	58	58	58	58	290		
Building climate resilience	AAFC, ECCC, HC, ISC, CIRNAC, StatCan, NRCan	396	396	396	396	396	1,980	87	
ENVIRONMENTAL JUSTICE AND TOXICS									
Pesticide monitoring and regulation	PMRA, ECCC, AAFC	70	20	20	20	20	150		
Office of Environmental Justice	ECCC	111	111	111	111	111	555	77	
NATURE AND BIODIVERSITY CONSERVATION: DELIVERING ON COMMITMENTS									
Reducing Threats to Biodiversity (KMGBF Targets 1-8)									
Nationwide Connectivity Fund and Wildlife Crossings	ECCC, PC, HICC	100	100	100	100	100	500		
Habitat Infrastructure Renewal Fund	HICC, ECCC, PC	130	130	130	130		520		
Renew and expand NHCP	ECCC	50	50	50	50	50	250		
Private Land Conservation Endowment Fund	ECCC, PC, FIN	15	15	15	15	15	75	15	
National Native Seed Strategy	ECCC, NRCan, AAFC, ISC	10	10	10	10	10	50		
Protecting Canada's Arctic	CIRNAC, ECCC, DFO, PC	Please contact authors for details.							
Renewal of Habitat Stewardship Program for SAR	ECCC, DFO, PC		8.5	8	8	8	32.5		
Halt and reverse losses of bird populations	ECCC	7.5	7.5	7.5	7.5		30		
Invasive species	ECCC, PC, DFO, AAFC, NRCan, HC, CFIA, PS	50	50	50	50	50	250		
Underwater noise pollution	DFO, TC, PC	70	70	70	70	70	350		
Marine spatial planning	DFO, ECCC, PC, NRCan, TC	15	15	15	15	15	75	15	
High Seas Treaty	DFO, GAC, ISED	5	5	5	5	5	25	6	
Meeting People's Needs (KMGBF Targets 9-18)									
Managing ocean fisheries									
Ecosystem approach to fisheries management	DFO	8	8	8	8	8	40		
Keeping Canada's seafood competitive	DFO, CFIA, AAFC	30	30	30	30	30	150		
Fisheries catch monitoring and observer system	DFO	20	20	20			60		
Freshwater management									
Freshwater Action Plan	ECCC, CWA, PC, DFO	140	140	140	140	140	700		
Strategic Water Security Technology Fund	ECCC, CWA, PC, DFO, ISED	20	20	20	20	20	100		
BC Watershed Security Fund	ECCC, CWA, PC, DFO	40	40	40	40	40	200		
Canadian Water Agency additional funding	ECCC, CWA	Please contact authors for details.							
Tools and solutions (KMGBF Targets 14-23)									
Reducing nature harmful subsidies	FIN, ECCC, DFO, AAFC, NRCan	No additional cost.							
Wildlife Habitat Conservation Stamp	ECCC	-2	-2	-2	-2	-2	-10	-2	



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