

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

October 2022

List of Recommendations:

Recommendation 1 - Facilitate the transition towards an economy focused on wellbeing.

Recommendation 2 - Tackle the climate crisis with ambitious emissions reductions.

Recommendation 3 - Phase out fossil fuel subsidies and re-orient public finance.

Recommendation 4 - Ensure a future beyond fossil fuels and a just transition for workers and communities.

Recommendation 5 - Increase and accelerate funding for climate change adaptation.

Recommendation 6 - Protect all people in Canada from toxic chemicals and pollution.

About Us

The Canadian Association of Physicians for the Environment (CAPE) is a national physician-led organization working at the intersection of health and environment. CAPE encourages policy-makers to adopt a planetary health lens in their decision-making.

Recommendation 1 - Facilitate the transition towards an economy focused on wellbeing.

The overlapping emergencies of COVID-19 and climate change, in association with the ongoing biodiversity crisis and emerging challenges around novel substances and the local toxic impacts of resource extraction, make clear that in order for humans to thrive in the Anthropocene we must stabilize the ecological foundations of our society. Planetary health is defined by *The Lancet* as "the health of human civilization and the state of the natural systems upon which it depends." Employing a planetary health lens in decision-making helps break down silos, find solutions that solve more than one problem at once, and take feedback loops into account.

Wellbeing economy metrics, such as those implemented in New Zealand and Ireland, are an essential part of the policy toolkit necessary to operationalize a transition to a planetary health frame. Based on evidence that communicating climate change in a health frame is the best way to motivate a population to action, CAPE recommends that the Government of Canada:

- Increase usage of the planetary health frame, which is already visible in some government communications, centered around the message: "healthy planet for healthy people."
- Adopt a "planetary health in all policies" approach by creating, and adequately
 funding, a team centered around planetary health (disaster resilience, health and
 economic co-benefits of climate change mitigation and adaptation, wellbeing
 economy metrics, etc.) in the Privy Council Office to facilitate inter-ministerial work
 and ensure planetary health decision-making across the Government of Canada.
- Prioritize the implementation of the Department of Finance publication, <u>Toward a</u> Quality of Life Strategy for Canada, including:
 - Complete the development of the Quality of Life Framework for Canada that will define success beyond GDP,
 - Regularly measure success as defined by the framework, and
 - Based on these measurements, develop and implement strategies to improve in low- and mediocre-scoring areas and to maintain success in high-scoring areas.

Recommendation 2 - Tackle the climate crisis with ambitious emissions reductions.

Alongside the World Health Organization, CAPE recognizes that climate change is the most significant global health threat of the 21st century. At the global level, it is projected to cause hundreds of thousands of additional deaths per year, and to cost billions per year in direct damage to health.¹ In this context, ambitious action presents an enormous opportunity to save lives in Canada and abroad.

CAPE supports Climate Action Network Canada's calls for mitigating climate emissions in line with Canada's fair share commitment to limit global warming to 1.5°C above preindustrial levels, in line with the Paris Agreement. This involves reduction in Canada's greenhouse gas emissions by a total of 140% below 2005 levels by 2030. Of this, at least 60% must be reduced domestically, with the remainder through support to developing countries to reduce greenhouse gas emissions. To achieve Canada's international commitments, our climate finance commitment must rise to at least \$4 billion USD per year.²

At the domestic level, CAPE's vision for a comprehensive mitigation agenda is reflected by the work of Climate Action Network Canada and its membership. The mitigation plan should include, among other measures:

- An amended Emissions Reduction Plan, with a strengthened Nationally Determined Contribution released as early as possible;
- An effective cap on oil and gas emissions, featuring a 1.5°C-aligned trajectory, as well as a comprehensive approach with no loopholes and no delays; and
- Strengthening Canada's Clean Electricity Regulations by refusing extensions for fossil fuel generating units, implementing ambitious performance standards, and introducing strong interim targets.

Recommendation 3 - Phase out fossil fuel subsidies and re-orient public finance.

International leaders and experts, such as the Executive Director of the International Energy Agency (IEA)17 and the Secretary-General of the UN³, have stressed that meeting our climate targets is not possible without eliminating fossil fuel subsidies and public finance for fossil fuels. As such, CAPE supports the Green Budget Coalition's recommendations⁴ on these topics, including:

Commit to not introducing any new subsidies for fossil fuels.

¹ World Health Organization. Climate change and health.

² Climate Action Network Canada, Canada's Climate Fair share to Limit Global Warming to 1.5°C.

³ UN News, "End Fossil Fuel Subsidies, Bolster Funding for Renewable Energy Particularly in Africa, Secretary-General Tells Round Table on Clean Power Transition."

⁴ Green Budget Coalition, Recommendations for Budget 2023.

- Phase out fossil fuel subsidies by 2023 with robust definitions:
 - a. Complete a transparent G20 peer review with Argentina, using the internationally agreed upon World Trade Organization (WTO) definition, including public finance elements, and robust criteria for "efficiency", as outlined in a recent IISD and Equiterre brief.
 - b. Publish the results of Canada's long overdue self-review.
 - c. Act upon the self-review and peer-review results by 2023 to eliminate fossil fuel subsidies that do not meet the efficiency criteria.
 - d. Release clear, detailed information on amounts of all federal fossil fuel subsidies and supports (updated annually), based on the WTO definition.
- Redirect current subsidies and supports from fossil fuels to clean technologies such as investment tax credits and public finance for green technology including renewable hydrogen, batteries, and energy storage.
- Re-orient public finance, particularly from Export Development Canada (EDC):
 - a. End EDC's support for fossil fuels in the short term (including through the Canada Account) by implementing robust exclusionary policies that include indirect support;
 - b. Align EDC's entire portfolio with Canada's climate commitments and a 1.5°C degree scenario;
 - c. Adopt strict definitions of "limited and clearly defined exceptions" and "unabated" that ensure against fossil fuel lock-in, including for gas;
 - d. Increase transparency on transactions, conditions applied, and GHG emissions associated with investments; and
 - e. Work with the other Glasgow Statement signatories to encourage other countries to join this initiative and to cement their joint commitments into international policy processes including at the major multilateral development banks, in the G7, G20, and the OECD. Collaborate with low- and middle-income signatories to ensure that Canada's implementation efforts respond to their transition needs.

As fossil fuel subsidies are phased out, these funds can be redirected to climate-focused investments, climate finance, or the other recommendations outlined herein.

Recommendation 4 - Ensure a future beyond fossil fuels and a just transition for workers and communities.

Here in Canada, and in solidarity with the global community, we have a steep curve to travel to phase out fossil fuels in a way that ensures the health and wellbeing of communities and workers currently reliant on the fossil fuel economy.

CAPE supports the Green Budget Coalition's recommendations⁵ for a just transition, including:

- Identify opportunities to scale up just transition funding, including:
 - For workers and communities impacted by a transition to a low-carbon economy;
 - b. For just transition legislation, strategy and implementation; and
 - c. Identify how the \$2 billion Futures Fund will be spent, prioritizing these funds for worker-focused direct supports.
- Move forward with legislation and a national just transition strategy, grounded in equity, social dialogue and the International Labour Organization Guidelines and that reflects international best practice and a tripartite-plus approach. This should include creation of a federal authority whose work is informed by an independent expert commission with diverse members, including workers from impacted sectors.
 - a. Implement and adequately fund the full suite of recommendations in the CESD's <u>Just Transition to a Low-Carbon Economy</u> report and ensure the necessary staffing supports.
 - b. Identify opportunities to strengthen job creation, through advancing, retraining and hiring of affected workers, creating opportunities for low-income and vulnerable communities, and carrying out strategic green industrial policy planning, while leveraging opportunities for Indigenous engagement, capacity-building, inclusion and leadership.
 - c. Build on pilot projects such as Calgary Economic Development's Edge Up, that work in partnership with existing educational institutions to retrain unemployed workers from the oil and gas sectors.

Recommendation 5 - Increase and accelerate funding for climate change adaptation.

The health impacts of climate change are many and varied; investment in adaptation can be considered an investment in public health. Furthermore, there are additional significant health-related co-benefits when nature-based solutions are prioritized for climate change adaptation. The Government of Canada will soon launch Canada's first National Adaptation Strategy. CAPE recommends that the Government of Canada:

- Ensure adequate funding federally, provincially, and municipally to implement the National Adaptation Strategy,
- Prioritize the funding of natural infrastructure in adaptation plans, recognizing the many health benefits of community-led public green space projects in enhancing wellbeing, reducing mortality from heat, and reducing flooding, and

⁵ Green Budget Coalition, Recommendations for Budget 2023.

 Provide ongoing, sustainable funding to programs and initiatives that seek to improve access and connection to nature to improve health and resilience against the effects of climate change, in particular for at-risk populations and communities.

Recommendation 6 - Protect all people in Canada from toxic chemicals and pollution.

The House of Commons Environment and Sustainable Development Committee's 2016-17 review of the *Canadian Environmental Protection Act* (CEPA) implementation put a spotlight on the exposure of people in vulnerable situations to pollution and toxics. Budget 2021 provided \$476.7 million over five years to renew the Chemicals Management Plan. This is a welcome investment; however, additional resources are needed. As such, CAPE endorses the Green Budget Coalition's recommendations⁶ for an additional \$200 million for the following in 2023:

- Identifying and prioritizing prohibition of carcinogens, mutagens, reproductive toxins and other chemicals with a high level of concern;
- Cumulative effects and class assessment;
- New mechanisms to monitor and manage exposure to toxic chemicals in consumer products, including products imported from countries that do not rigorously regulate chemical inputs;
- A full review of measures required to protect Indigenous peoples' rights, and nature, from the risks of genetic engineering of [plants and] animals;
- Addressing data gaps to identify and protect populations that are more vulnerable to the harmful effects of pollution, including women and children, including:
 - a. Understanding and reducing risks to Indigenous communities; and
 - b. Developing and applying a framework to implement the right to a healthy environment, including consideration of environmental justice and the principle of non-regression, as well as data collection; and
- Moving the CMP budget to A-base to build and maintain scientific capacity for this important, legally mandated work. The ongoing task of chemicals management requires permanent capacity.

In addition to the increased CMP budget, CAPE recommends that the Government of Canada invest in the study and clean-up of contaminated sites from the exploration and production of fossil fuels and other non-renewable resources (e.g., tailings ponds, abandoned well-heads, etc). This would include baseline studies of the local environment and health of residents, monitoring, health and environmental impact assessments of various clean-up options, and the clean-ups themselves. The passage of Bill C-226, *An Act Respecting the Development of a National Strategy to Assess, Prevent and Address Environmental Racism and To Advance Environmental Justice*, and a subsequent implementation strategy with the establishment of an Office of Environmental Justice could address these aims. Canada needs a national strategy

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⁶ Green Budget Coalition, Recommendations for Budget 2023.

and accountability mechanisms to assess, prevent and address environmental racism which is intimately connected with toxic exposures from chemicals and pollution, and advance environmental justice.

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