

# The Economic Opportunity of Making Water Investments in Canada

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***Our Asks: Finalize the historic \$1 Billion Freshwater Action Plan Investment over 5 years and create the Canada Water Agency.***

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## *Context*

- It is clear that the climate crisis is a water crisis in Canada.
- By 2025, climate impacts and disasters, over 90% of which involve water, will slow down Canada's economic growth by \$25 billion annually<sup>1</sup>
  - Equivalent to 50% of projected GDP growth.
- Through adaptation and direct investment, the federal government can provide the resources, policies and infrastructure needed to meet this urgent challenge.
- Such investments further create green and sustainable jobs across Canada, substantial return of investment for financiers and a safer future for all Canadians.
- The Great Lakes Region alone, if a separate country, would be the third largest economy in the world by gross domestic product.
- Moreover, inland water ways provide transportation routes, fisheries, and extensive opportunity for [blue economy](#) growth.

## *Job Creation and Training*

- Climate change kills jobs, but the water sector provides ample opportunity.
- Freshwater encompasses a wide array of job sectors, including, but not limited to:
  - Watershed management & restoration, urban water management, infrastructure, education, regulatory and public administration and more.
- In 2019, the British Columbia watershed sector directly employed approximately 27,200 people and more broadly supported 47,900 British Columbians<sup>2</sup>.
- The [Working for Watersheds Report](#) further estimates that a \$100 million/year investment over 10 years will create a further 13,000 jobs and \$1.3 billion to provincial GDP.
  - Such success can be mimicked across Canada improving provincial, municipal and federal GDP and providing thousands of jobs.

**Takeaway:** Investment in water is a direct investment into thousands of jobs for Canadians.

## *Return on Investment (ROI)*

- Investment in water is inherently an investment in fighting climate change, with high ROI for government funding through community-based water management, water infrastructure and adaption measures.
- The [Canadian Climate Institute](#) found that “ever dollar spent on adaption measures saves \$13- \$15, including both direct and indirect economy-wide benefits”.
  - Additionally, this return can grow when paired with global mitigation measures
- Accounting for water infrastructure, 2022 [Réseau Environnement](#) report found a conservative return on investment in water infrastructure to be 1.72.

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<sup>1</sup> Canadian Climate Institute, [Damage Control: Reducing the Costs of Climate Impacts in Canada](#), 2022

<sup>2</sup> [Working for Watersheds Report](#), 2022

- In addition, data collection and monitoring done through **Community-Based Water Monitoring** (CBWM) efforts provides scientifically rigorous data and is incredibly cost-effective (>3:1) as compared to private contractors or public sector methods.

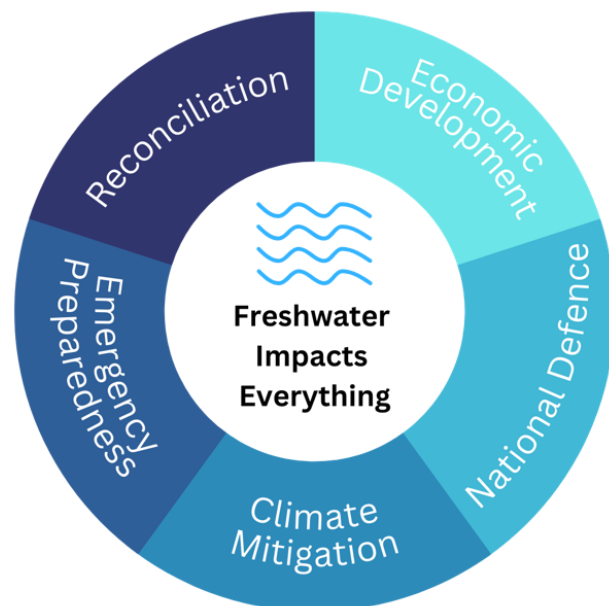
**Takeaway:** Investment in adaptation returns \$13-15 in economy-wide benefits, with even larger opportunities for ROI across global adaption, water infrastructure and CBWM investment.

### Governance

- The Canada Water Agency (CWA) provides a mechanism of governance that allows for efficiency, national and global leadership, and co-operative federalism across Canada.
- The CWA will ensure water investment is done pragmatically, efficiently and urgently.
- Currently, federal water decision making is split across more than 20 departments.
  - The CWA will act as a hub, bringing together decision makers from federal, provincial, territorial and Indigenous governments to one place, where research, data and cross-country expertise can come together.

**Takeaway:** The Canada Water Agency will act as a tool to ensure effective, urgent and efficient funding is invested across Canada.

### ALIGNMENT WITH FEDERAL PRIORITIES



**Reconciliation:** The Canada Water Agency fulfills part of both the Truth and Reconciliation Commission Calls to Action and United Nations declaration on the Rights of Indigenous Peoples (UNDRIP) by advancing government-to government, and nation-to-nation relationships via co-governance of shared waters with Indigenous Nations.

**Economic Development:** Investment in freshwater creates jobs across Canada and provides a direct return on investment of over \$13 - \$15 per dollar spent.

**National Defence:** Through investing in adaptation and resilience, the government directly invest in the safety of Canadians

against climate change disasters; notably floods.

**Climate Mitigation:** The climate crisis is no longer a threat, it is an actuality. The Freshwater Action Plan acknowledges this reality and prepares for the upcoming threats that Canada will face.

**Emergency Preparedness:** Resilience is key to adapting to climate change, notably by protecting Canadians from climate disasters, including flooding, drought and wildfire. The costs of such disastrous events are growing annually, not withstanding the true cost on livelihood, memory and health. By investing in freshwater, you inherently invest in emergency preparedness and national security.