

Economic Benefits of Protecting Nature in Canada

Overview: Canada is currently facing multiple crises. The health and economic crises occasioned by COVID-19 are happening as the climate and biodiversity crises rage on--which in turn also damage prospects for a healthy future for all. The outlook for biodiversity loss globally and in Canada is grim, driven in large part by the destruction of habitat. Canada's recent commitment to protect 25% of land and ocean by 2025 is therefore a reason to be optimistic. Protected areas are the best tool at our disposal to reverse species loss. To achieve the new targets, ambitious investment is necessary. Importantly, investing in the protection of land, freshwater, and ocean in Canada will not only bring environmental benefits but significant job creation and economic spinoff benefits as well, propelling a green recovery. Protected areas create economic growth throughout their lifespan: from the planning stage to site establishment, through to ongoing monitoring and maintenance of parks and conserved areas. The following highlights some of the key evidence demonstrating the role the expansion of protected areas can play in recovery strategies and in maintaining a healthy and sustainable Canadian economy.

Economic Impact of Parks

- In 2017-18 alone, the economic **impact of visitor spending** at Parks Canada sites resulted in: a \$2.6 billion contribution to Canada's GDP, supported 28,000 full-time jobs across Canada, and \$449 million in tax revenues across multiple levels of government.¹
- National, provincial and territorial parks in Canada support 64,000 full time equivalent jobs across the country, contribute \$6 to Canada's GDP for every dollar invested by governments. Forty percent of these investments are then returned to various levels of government through tax revenues.²
- Tourism generated from protected areas **diversify rural economies**. National Parks are usually located in remote areas. In addition to direct employment, Parks Canada also contributes to local communities by purchasing goods and services from local suppliers.³

Marine Protected Areas (MPAs) and the blue economy

- A new study indicates that investing in MPAs can deliver **US\$10-20 in economic activity per USD\$1 invested**, creating significant economic opportunity. The same study estimates that, globally, protecting 20-30% of the world's oceans would create **more than 1 million jobs**.⁴
- The Parks Canada Agency estimates that the marine protected area (MPA) in the Saguenay-St. Lawrence region generates \$3.16 in government revenues for every dollar spent on managing the site⁵.

¹ 2017/18 data as provided by Parks Canada Infographic

² Canadian Parks Council Research Bulletin 2011: <https://bcparks.ca/research/docs/cpc-research-bulletin-revised-2011.pdf?v=1609459200070>

³ The Outspan Group *Economic Impact of Parks Canada*, 2011:

[file:///C:/Users/kscar/Downloads/Final Revised Economic Impact of Parks Canada English OutSpan Report.pdf](file:///C:/Users/kscar/Downloads/Final%20Revised%20Economic%20Impact%20of%20Parks%20Canada%20English%20OutSpan%20Report.pdf)

⁴ Duarte, et al. Rebuilding marine life, 2020: <https://www.sprep.org/attachments/VirLib/Global/rebuilding-marine-life.pdf>

⁵ Office of the Auditor General, 2012: https://www.oag-bvg.gc.ca/internet/english/parl_cesd_201212_03_e_37712.html

- Research on MPAs in the U.S. demonstrated that fisheries in medium to high-decline gained the most spillover from adjacent highly and fully protected MPAs. This means **MPAs significantly benefit nearby fishery industries** in addition to tourism. Benefits to fish stocks from highly protected MPAs to nearby commercial fishing were realized **within five years** of MPA creation.⁶
- By establishing MPAs, fish stocks can recover and rebuild and increase annual profits of the global seafood industry by **\$53 billion**.⁷

Indigenous Conserved Areas and Guardians Job Creation

- Establishing Indigenous Protected and Conserved Areas (IPCAs) and investing in Indigenous Guardians programs can have significant economic impact, particularly in rural First Nation, Inuit and Metis communities.
- Indigenous tourism in Canada contributed **\$1.9 billion to the GDP**, and has a national growth rate of 20% per year, employing 40,000 people and supporting 1900 businesses.⁸
- Analysis of Indigenous Guardian Programs in British Columbia demonstrated a **10:1 annual return on investment** in social, cultural and economic Indigenous values.⁹

Valuing of Ecosystem Services

- Inaction to protect nature and reverse biodiversity loss will have a devastating impact on global economies. Over half of the **world's GDP (\$44 trillion) is threatened by biodiversity loss** and species decline.¹⁰
- An independent expert study estimated that the financial and economic benefits of protecting 30% of the world's land and ocean exceed the costs by a factor of 5:1. This is a conservative estimate because not all ecosystem services were quantified.¹¹
- Investments in protected areas contribute significant value beyond employment and tourism spinoff. There are significant environmental and societal benefits generated by protected areas. These include:
 - Ability to globally **reduce atmospheric CO2 by up to 2.6 gigatons annually** through avoided deforestation.¹²
 - Lowering the risk of new zoonotic diseases emerging by slowing ecosystem fragmentation.
 - Protecting watershed health and contributing to clean drinking water sources.

⁶ Cooney and Goldstein. How Marine Protected Areas Help Fisheries and Ocean Ecosystems, 2019: <https://www.americanprogress.org/issues/green/reports/2019/06/03/470585/marine-protected-areas-help-fisheries-ocean-ecosystems/>

⁷ *Supra note 4*

⁸ Forward Together: A Strategic Recovery Plan for the Indigenous Tourism Industry in Canada, 2020: <https://indigenoustourism.ca/corporate/itac-strategic-recovery-plan/>

⁹ Valuing Coastal Guardian Watchmen Programs: A Business Case, 2016 : https://www.indigenousguardianstoolkit.ca/sites/default/files/Community%20Resource_Guardians-valuationreport_v10_Final_TNC%20Canada.pdf

¹⁰ World Economic Forum & Forbes, 2020: <https://www.forbes.com/sites/worldeconomicforum/2020/10/06/why-the-world-needs-a-circular-bioeconomyfor-jobs-biodiversity-and-prosperity>

¹¹ Waldren et al, 2020. Protecting 30% of the planet for nature: costs, benefits and economic implications: https://www.conservation.cam.ac.uk/files/waldron_report_30_by_30_publish.pdf

¹² McKinsey & Company, Valuing nature conservation, 2020: <https://www.mckinsey.com/business-functions/sustainability/our-insights/valuing-nature-conservation>

- Flood prevention, particularly in coastal regions via MPAs. Studies estimate conserving coastal wetlands can **save the insurance industry \$52 billion** annually by reducing storm flooding.¹³

Investment Trend among Key Economic Partners

- Canada's closest economic trade partners and allies have begun investing in protected areas. In August 2020, **the United States invested \$6.5 billion** in the maintenance and establishment of national parks, wildlife refuge forests and other protected areas¹⁴. In January 2021, President Biden signed an executive order to pursue protections for 30% of the U.S. lands and waters alongside Canada's efforts¹⁵.
- Other members of the High Ambition Coalition, alongside Canada, have also indicated investment trends toward a green recovery and have committed to protecting 30% of land and sea by 2030. These key economic partners include the United Kingdom, New Zealand, France and Germany to name a few.¹⁶

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¹³ *Supra note 4*

¹⁴ United States National Park Service, 2020: <https://www.nps.gov/subjects/legal/great-american-outdoors-act.htm>

¹⁵ Executive Order on Tackling the Climate Crisis at Home and Abroad, 2021: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

¹⁶ National Observer, 2020: <https://www.nationalobserver.com/2020/09/29/news/world-leaders-pledge-halt-earths-destruction-ahead-un-summit>