

FINANCIAL SUPPORT AGREEMENT FOR QUEBEC'S 2030 NATURE PLAN AND QUEBEC'S IMPLEMENTATION OF THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK IN QUEBEC

BETWEEN

The Government of Canada, represented by the Minister of the Environment and Climate Change, Mr. Steven Guilbeault (hereinafter "Canada")

- and -

The Government of Quebec, represented by the Minister of l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, Mr. Benoit Charette, and the Minister responsable des Relations canadiennes, Mr. Simon Jolin-Barrette (hereinafter referred to as "Quebec")

Hereinafter referred to individually as the "Party" and collectively as the "Parties".

PREAMBLE

WHEREAS section 7 of the *Department of the Environment Act* (R.S.C. 1985, c. E10), authorizes the federal Minister, with the approval of the Governor in Council, to enter into agreements with the governments of the provinces or their agencies to carry out programs under his jurisdiction;

WHEREAS Canada and Quebec are committed to taking action to reverse the trend of biodiversity loss;

WHEREAS Canada has confirmed investments of nearly \$2.3 billion over five years in its 2021 Budget to conserve nature, address biodiversity loss, and protect species at risk;

WHEREAS the management of wildlife and biodiversity is a jurisdiction that Quebec intends to exercise fully on its territory, including the achievement of targets for the conservation and restoration of natural environments and the protection of species at risk;

WHEREAS the Parties recognize that protection, conservation and recovery of biodiversity, habitat and species at risk will require long-term resources;

WHEREAS the Parties may, at any time, negotiate specific measures for the implementation of conservation measures for boreal/forest-dwelling caribou and add these objectives to this Agreement;

WHEREAS Quebec declared itself bound to the United Nations Convention on Biological Diversity in 1992 and is responsible for implementing the Convention on its territory, and Canada ratified the same Convention in 1992;

WHEREAS in 2022, Quebec adhered to the objectives of the Kunming-Montreal Global Biodiversity Framework and is committed to implementing it according to its jurisdictions, timelines and resources;

WHEREAS Canada has adhered to the objectives of the Kunming-Montreal Global Biodiversity Framework, and is committed to implementing it according to its jurisdictions and resources, and is committed to achieving the Kunming-Montreal global targets for 2030;

WHEREAS in July 2024, Canada published Canada's 2030 Nature Strategy: Halting and Reversing Biodiversity Loss in Canada;

WHEREAS on October 7, 2024, Quebec published a 2024-2028 Action Plan under the 2030 Nature Plan, with an initial investment of \$443.4M over the first five years (2023-2024 to 2027-2028);

WHEREAS Canada wishes to contribute \$100M to support Quebec's biodiversity conservation efforts between now and 2030. This amount could be increased subject to approval by the Parliament of Canada;

WHEREAS since 2018, Canada has invested, more than \$125M for conservation in Quebec, including at least \$42M for fiscal year 2024-2025;

WHEREAS Quebec recognizes and supports Indigenous leadership in biodiversity conservation, and has consulted Indigenous communities in the development of its 2030 Nature Plan and intends to involve them in the implementation of the 2030 Nature Plan;

ACCORDINGLY, CANADA AND QUEBEC AGREE AS FOLLOWS:

1. DEFINITIONS

The following expression, used in the Agreement, will have the scope defined below:

"The Agreement" means the financial support Agreement for the 2030 Nature Plan and Quebec's implementation of the Kunming-Montreal Global Biodiversity Framework in Quebec.

"Fiscal year" means the period commencing on April 1st of one calendar year and ending on March 31st of the following calendar year.

2. INTERPRETATION

Under this Agreement, neither Party renounces its powers, privileges, prerogatives and immunities.

This Agreement does not create any new legal powers, nor does it modify functions, obligations and powers notably those conferred by legislation.

This Agreement is without prejudice to the jurisdiction, rights, remedies and claims of either Party with respect to the protection and recovery of species at risk and shall not be construed to reduce or prejudice any such jurisdiction, rights, remedies and claims.

The preamble and the annexes form an integral part of this Agreement and the parties acknowledge that they have read them and accept them. In the event of a conflict between the annexes and the Agreement, the latter prevails.

3. OBJECTIVES OF THE AGREEMENT

The purpose of this Agreement is to establish the terms and conditions under which Canada will provide funding to Quebec in support of Quebec's 2030 Nature Plan for the implementation of the objectives of the Kunming-Montreal Global Biodiversity Framework.

4. DURATION OF AGREEMENT

4.1 The Agreement shall come into force on the date of the last signature and shall remain in force until March 31, 2027, unless terminated in writing by Canada or Quebec in accordance with the terms of Section 13. In accordance with Section 5, the funding provided under this Agreement shall cover the fiscal years 2024-2025, 2025-2026 and 2026-2027.

4.2 The Parties agree that the Agreement will be renewed by mutual consent of both Parties for the period following the one covered by this Agreement.

5. CONTRIBUTION TO QUEBEC'S 2030 NATURE PLAN AND QUEBEC'S IMPLEMENTATION OF THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK IN QUEBEC

Subject to parliamentary approval of the appropriations, Canada commits to transferring a maximum amount of \$100,00M to Quebec, over fiscal years 2024-2025 to 2026-2027.

PAYMENT OF CONTRIBUTION

The amounts to be contributed by Canada to Quebec, according to the table below and Appendix 2:

| Fiscal year | Canada's contribution to Quebec |
|-------------|---------------------------------|
| 2024-2025 | \$25 M |
| 2025-2026 | \$40 M |
| 2026-2027 | \$35 M |

After 2027, Canada will seek to renew funding, subject to parliamentary appropriations, to continue advancing Quebec's nature conservation objectives.

By 2027, Quebec could seek, subject to parliamentary appropriations, renewed funding for the years 2027-2028, 2028-2029 and 2029-2030 of the 2030 Nature Plan, in line with the announcement made by the Premier of Quebec at COP 15 in Montreal in 2022.

6. CREDITS

Notwithstanding any other provision of the Agreement, any payment under the Agreement is subject to the appropriation of funds by the Parliament of Canada and the National Assembly of Quebec for the fiscal year in which payment is to be made.

Canada and Quebec may reduce or cancel any payment under the Agreement in response to reductions in departmental appropriations or funding levels for transfer payments, the Program under which the Agreement was entered into or otherwise, as evidenced by an appropriation act or the main or supplementary estimates of Canada and Quebec. The Parties shall not be liable for any direct, indirect, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising out of a reduction or termination of funding.

7. USE OF CONTRIBUTION FUNDS

Given that Quebec is responsible for biodiversity conservation and the recovery of species at risk on its territory, Quebec intends to use the contributions made under this Agreement to enhance and implement various priority actions under its 2030 Nature Plan, including those identified by Quebec as examples in Appendix 1.

8. REPORTS

Quebec is committed to transparency and public dissemination of its environmental actions and progress. Quebec will regularly update public dissemination tools presenting progress and results related to the orientations and actions of the 2030 Nature Plan.

Quebec will provide to Canada the public reports that it will present to the National Assembly on how contributions have been allocated and on the programs, activities and initiatives funded.

Evaluations, audits and other reviews relating to the funding Agreement may be made public.

9. INFORMATION SHARING AND DATA EXCHANGE

Quebec has been sharing its information, expertise and best practices with other governments in Canada and with Indigenous communities for many years, and intends to continue doing so in line with current practices.

10. COMMUNICATIONS

Canada and Quebec recognize the importance of ensuring that the public is informed of Canada's planned annual financial contributions to Quebec under this Agreement. To this end, Quebec agrees to recognize these contributions in public communication tools on the implementation of the 2030 Nature Plan.

Canada and Quebec have agreed to participate in a joint announcement when the Agreement is signed.

Furthermore, Canada and Quebec also agree to participate jointly in any ministerial-level announcements on biodiversity conservation related to this Agreement.

Lastly, the Parties' representatives will set up an Agreement monitoring committee to encourage the sharing of information.

The Parties shall respect the following terms and conditions with respect to communications. Quebec acknowledges that the following information may be made public by Canada:

- a) Its name, the amount granted by Canada and the general nature of the contributions;
- b) Any evaluation of Canada's programs related to the Agreement. Where appropriate, Canada will provide Quebec with an opportunity to respond in writing to the report and will publish this response at the same time as the report.

1. Object

- a) The communication terms describe the roles and responsibilities of each of the Parties regarding communication activities relating to contributions;
- b) These communication terms guide the planning, development and implementation of all communication activities to ensure that the public receives clear, consistent and coordinated messages;
- c) The provisions of these communication terms apply to all communications relating to the Agreement, but only to those activities for which a sum from Canada's \$100M contribution is affected.

2. Guiding principles

- a) Communication activities (joint and individual) will respect the Parties' respective communication policies to ensure that the public receives consistent information about the Agreement and its contributions;
- b) Where appropriate, Canada and Quebec may organize joint communications on project funding to inform the public through clear, consistent and coordinated public information activities;
- c) Communications relating to the Agreement should only begin once the Agreement has been signed and can be planned throughout the life of the Agreement. This may include the initial announcement of funding, progress updates, or the completion of individually funded initiatives;
- d) Unless otherwise agreed by the Parties, all communication products related to this Agreement must acknowledge funding from Canada and Quebec;
- e) The performance of activities and the distribution of communication products to the public shall not take place without the prior knowledge and consent of the Parties.

11. REPRESENTATIVES OF THE PARTIES

The MELCCFP designates as its representative for the purposes of executing the Agreement:

Mr. Jacob Martin-Malus, Assistant Deputy Minister
Sous-ministériat adjoint à la biodiversité, à la faune et aux parcs
Ministère de l'Environnement, de la Lutte contre les changements
climatiques, de la Faune et des Parcs
675 René-Lévesque Blvd. East, 30th floor
City of Quebec (Quebec) G1R 5V7
Tel. 418-521-3860, ext. 4063

Email: jacob.martin-malus@environnement.gouv.qc.ca

Environment and Climate Change Canada designates as its representative for the purposes of executing the Agreement:

Ms. Tara Shannon
Assistant Deputy Minister, Biodiversity and Canadian Wildlife Service
Environment and Climate Change Canada

Place Vincent Massey
351 Saint-Joseph Boul.
Gatineau (Quebec) K1A 0H3

Email: Tara.shannon@ec.gc.ca

In each case, should a replacement become necessary, each Party undertakes to notify the others in writing as soon as possible.

12. SETTLEMENT OF DISPUTES

Canada and Quebec are committed to working together and avoiding disputes through government-to-government information sharing, advance notice, early consultation, and discussions and clarifications to resolve issues as they arise.

Should a dispute arise between the Parties regarding the interpretation and/or implementation of any of the terms and conditions of this Agreement, the Monitoring

Committee (s. 9) will be the first level to deal with the dispute. If a dispute persists, either Party may notify the other, in writing, of its concerns. Upon receipt of such notice, Canada and Quebec will seek to resolve the matter raised in a manner deemed appropriate by the designated officials.

In the event of a dispute that cannot be resolved by the designated officials, the matter will be referred, first, to the federal Deputy Minister of the Environment and Climate Change and the Quebec Deputy Minister of l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs and, second, to the federal Minister of the Environment and Climate Change and the Quebec Minister of l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs.

13. MODIFICATION OF AGREEMENT AND TERMINATION

This Agreement may be modified at any time by mutual written agreement of the Parties, subject to any required approvals. Any modification will become effective on the date agreed by the Parties, and will form an integral part thereof. Either Party may terminate this Agreement by giving 90 days written notice to the other Party.

14. DISCLAIMER

The failure or delay by a Party to exercise any of its rights, powers or remedies under this Agreement shall not constitute a waiver of such rights, powers or remedies. Any waiver by either Party of any of its rights, powers, or remedies under this Agreement must be in writing and, unless explicitly stated, such waiver shall not constitute a continuing waiver.

15. GENERAL INFORMATION

This Agreement is governed by and must be interpreted in accordance with the laws in force in Quebec.

Canada will make this Agreement public in its entirety by posting it on a Government of Canada website.

No member of the House of Commons or the Senate of Canada or the National Assembly of Quebec shall be a Party to or derive any benefit from this Agreement, in whole or in part, by contract or commission.

If, for any reason, any provision of this Agreement which is not a fundamental term of this Agreement is held to be invalid or unenforceable, in whole or in part, such provision shall be deemed severable and stricken from this Agreement, but all other terms and conditions of this Agreement shall continue to be valid and enforceable.

All documents relating to this Agreement and all documents sent pursuant to this Agreement must be written in French.

16. NOTICES

To be valid and binding on the Parties, any notice, information or document provided in this Agreement shall be provided in writing and transmitted by means allowing proof of receipt at a specific time, to the following address:

For Canada:

Environment and Climate Change Canada

Place Vincent Massey
351 Saint-Joseph Boul.
Gatineau (Québec) K1A 0H3

For Quebec:

Secrétaire général du ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs

425 Jacques-Parizeau Street

City of Quebec (Quebec)

G1R 4Z1

17. SIGNATURES

The Agreement is signed on behalf of Canada by the Minister of the Environment and Climate Change, Mr. Steven Guilbeault and on behalf of the Government of Quebec by the Minister of l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, Mr. Benoit Charette, and the Minister responsible des Relations canadiennes, Mr. Simon Jolin-Barrette. It may be signed in multiple copies.

THE GOVERNMENT OF
CANADA

The Honourable Steven
Guilbeault
Minister of the Environment

Date

THE GOVERNMENT OF
QUEBEC

Benoit Charette
Ministre de l'Environnement, de
la Lutte contre les changements
climatiques, de la Faune et des
Parcs

Date

THE GOVERNMENT OF
QUEBEC

Simon Jolin-Barrette
Ministre responsable des
Relations canadiennes

Date

**APPENDIX 1 - QUEBEC'S PRIORITIES FOR BIODIVERSITY CONSERVATION
THROUGH THE IMPLEMENTATION OF THE NATURE PLAN 2030**

Preamble

As early as 1992, Quebec declared its commitment to the United Nations Convention on Biological Diversity and undertook to implement the Kunming-Montreal Global Biodiversity Framework in 2022.

Quebec is the only government in Canada to have achieved the global protection targets of 17% of its terrestrial and freshwater territory and 10% of its marine territory established at the 10th Conference of the Parties to the United Nations Convention on Biological Diversity in 2010.

As of December 31, 2022, Quebec's network of protected areas covered 261,031 km² or 17.26% of its land and freshwater territory, considering the government's commitment to protect the entirety of Anticosti Island and to set aside 11 new territories announced in June 2022. The percentage of marine protected areas in Quebec currently stands at 16,140 km² or 10.4%.

In response to the adoption of the Kunming-Montreal Global Biodiversity Framework at the 15th Conference of the Parties to the Convention on Biological Diversity, Quebec committed to developing a 2030 Nature Plan for Quebec, with an initial budget of \$650 million over seven years, the plan begins with a major consultation project.

The 2030 Nature Plan, announced by the Quebec government on October 7, 2024, was developed following the consultation process that Quebec carried out in 2023. Three priority areas have been identified for immediate action

- Protecting and restoring biodiversity to ensure ecosystem resilience;
- Encourage sustainable practices that promote biodiversity and improve access to nature;
- Encourage and value the participation of all stakeholders in biodiversity conservation efforts.

Government of Quebec financial contribution (\$M)

Between 2023 and 2028, the Quebec government will invest \$443.4 as follows:

| 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 |
|-----------|-----------|-----------|-----------|-----------|
| 63.1 | 90.3 | 93.1 | 97.7 | 99.2 |

Federal government support for Quebec activities and priorities

Quebec will use the Government of Canada's contribution to enhance the three main areas that will contribute to the objectives of the 2030 Nature Plan, namely:

| Priority actions | Quebec contribution (\$M) | Canada's contribution (\$M) |
|---|---------------------------|-----------------------------|
| <div><div>- Expansion of protected and conserved areas in Quebec</div></div> | 335.31 | 70 |
| <div><div>- Accelerate the conservation of natural environments on private land in partnership with conservation groups (through the acquisition of natural environments in southern QC).</div></div> | | |
| <div><div>- Accelerate the deployment of new protected area status</div></div> | | |
| <div><div>- Create and enhance conservation areas in northern territories</div></div> | | |
| <div><div>- Act on threats to biodiversity and protect threatened and vulnerable species</div></div> | 78.09 | |
| <div><div>- Promote the recovery of species at risk, monitor their status and that of their habitats</div></div> | | |
| <div><div>- Combat invasive alien species (IAS)</div></div> | | |
| <div><div>- Support Indigenous leadership in biodiversity conservation</div></div> | 30 | 30 |
| Total | 443.4 | 100* |

* Canada's \$100M contribution could be increased, subject to the availability of additional funds and parliamentary appropriations.

Examples of results indicators¹ from Quebec's 2030 Nature Plan and Quebec’s 2030 Plan for a Green Economy:

Goal 1:

- Land use change
- Percentage of priority degraded ecosystems for which restoration has been undertaken

¹ These indicators are subject to change as the 2030 Nature Plan or the 2030 Plan for a Green Economy is rolled out and are provided for information purposes only.

- Percentage of protected and conserved areas in Quebec
- Average proportion of potential habitat area of threatened and vulnerable species at risk that is protected or conserved
- Trend in precariousness rankings for species at risk
- Number of IAS introductions
- Rate of spread of IAS
- Annual reduction in Quebec's GHG emissions (Mt) in line with the implementation of the 2030 Plan for a Green Economy
- Projected long-term GHG emission reductions (2050) of the 2030 Plan for a Green Economy

Goal 2:

- Proportion of agricultural businesses engaged in agro-environmental practices
- Proportion of agricultural businesses that have made improvements to enhance biodiversity
- Number of projects aimed at the sustainability of fishing activities and the acquisition or renewal of eco-certification for Quebec aquatic products.
- Number of hectares of private forest covered by an improved forest management plan
- Number of initiatives supported by government programs to promote activities in the natural environment
- Proportion of households participating in outdoor activities near their home
- Proportion of species whose populations are exploited at a biologically sustainable level

Goal 3:

- Number of government policies in favour of biodiversity created
- Number of biodiversity monitoring tools developed or improved
- Number of intervention measures taken to minimize the impact of certain financial incentives on biodiversity
- Number of decision-making tools created to integrate biodiversity into the activities of companies and the financial sector.
- Number of companies reached
- Number of studies supported on the correlation between the economy and biodiversity
- Number of municipalities involved in a pilot project to implement an eco-fiscal measure that promotes biodiversity
- Number of communities benefiting from funding
- Number of Indigenous biodiversity conservation initiatives
- Number and types of communication (education, awareness-raising), mobilization and cooperation initiatives encouraged
- Types of target audience reached (diversity)
- Number of bilateral and multilateral partnerships formed and maintained

Performance monitoring activities

Quebec will use the funds to develop, plan and implement the 2030 Nature Plan and any actions that would help establish and achieve conservation objectives for 2030. A national consultation with the public and other stakeholders, including Indigenous nations and communities, was held in 2023-2024 to provide input for the reflection undertaken by the Quebec government.

This will result in a governance and performance monitoring system for the 2030 Nature Plan. This action also calls for the development and implementation of a system of governance and indicators to enable, in particular, effective and rapid accountability for the departments and agencies and other stakeholders involved.

For the purposes of this Agreement, Quebec has determined that the 2030 Nature Plan is part of the strategic plan of the ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs. The 2030 Nature Plan will include the information required to establish a correlation with the purpose of the federal contribution provided for in this Agreement in the annual management report of the ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs.

Appendix 2 - Terms of payment and eligible expenses

For each fiscal year, the Government of Quebec will provide Environment and Climate Change Canada (ECCC) with a copy of the public report submitted to the Quebec National Assembly in accordance with Section 8. This report, although not itemized by category of eligible expenses as listed below, will show the total cost of the project and the use of funds committed to the project.

Following the submission of the report, ECCC will transfer the amount established for that fiscal year in accordance with Section 5 to the Government of Quebec within a maximum period of 60 days after receiving the public report, but at the latest before the end of the fiscal year within which the report was submitted.

For the purposes of this Agreement, expenditure for each of the initiatives of the 2030 Nature Plan is eligible and includes the following expenditures:

- human resources costs (including salaries and benefits);
- management and professional services (such as accounting, translation, auditing, legal fees);
- hospitality and travel expenses;
- costs associated with Indigenous participation or ceremonies (including monetary honoraria);
- cost of materials and supplies; printing, production and distribution costs;
- purchase or lease of equipment and fixed assets;
- vehicle leasing and operating expenses;
- contractors necessary for the execution of activities related to the implementation of this Agreement;
- land protection costs;
- purchase eligible carbon offsets from a seller that meets internationally agreed standards;
- any GST/HST that is not refundable by the Canada Revenue Agency and any PST that is not refundable by the provinces; and any other additional expenses directly related to the project may be considered in exceptional circumstances if approved in advance by the Minister of ECCC or his representatives.

General and/or administrative costs may be reimbursed up to a maximum of 20% of the total reimbursement (or less) which are directly attributable to the implementation of this Agreement.