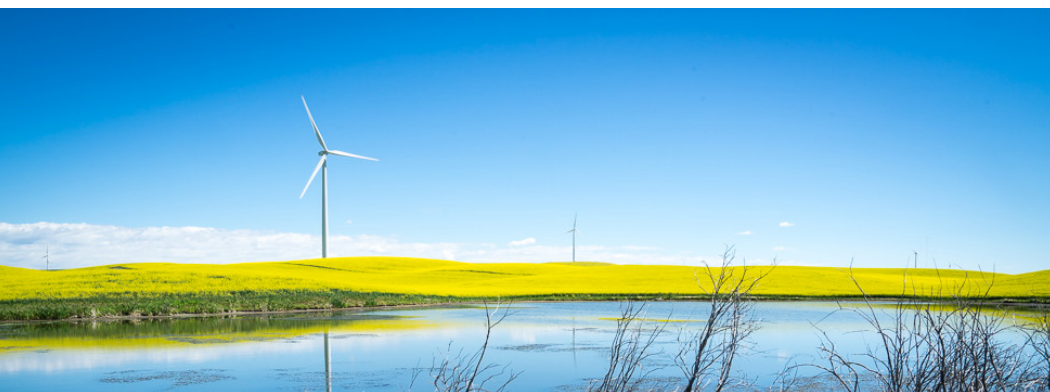


Water Security for Canadians

Building the Canada Water Agency





Water Security for Canadians

Canada is facing new and intensifying **water challenges in the 21st century** that demonstrate the need for a new approach to freshwater management. Addressing these challenges and ensuring that Canada's waters are healthy, sustainable, and resilient to climate change requires **modernized federal freshwater leadership¹**. In the immediate term, establishment of a **Canada Water Agency is a crucial first step**.

The exact structure and mandate of a new Agency will take time to figure out, but the **key roles** that a Canada Water Agency must fulfill are clear. It is also clear that the foundation of the **Agency can and should be established expeditiously** to take advantage of the significant support and momentum that is building across the water community. Once the foundation is established, the Agency's mandate and functions should be co-developed with Indigenous Nations and in close collaboration with provincial and territorial governments, local authorities, water organizations, and the general public.

Establishing the Canada Water Agency by November 2020 is the first step of a **broader program of reforms** to modernize federal freshwater leadership, including renewal of the *Canada Water Act*. By establishing the Agency in the immediate term, the government will fulfill its mandate commitment and provide the foundation needed to transform the way water is managed across the country. The Agency represents both a **concrete short-term achievement and the beginnings of a lasting water legacy**.

¹ For more detailed analysis on the need for modernized federal freshwater leadership, see previous publications from the Water Security for Canadians Initiative: [Modernizing Federal Freshwater Leadership: Draft White Paper \(2020\)](#) and [Water Security for Canadians: Solutions for Canada's Emerging Water Crisis \(2019\)](#). Available at: <https://gwf.usask.ca/outputs-data/major-outcomes/water-security-4-canada.php>

WATER CHALLENGES IN THE 21ST CENTURY

A number of emerging and intensifying water challenges highlight the shortcomings of the status quo approach to freshwater management. The most prominent of these challenges include:

- **Climate change** is increasing the severity of existing freshwater issues and creating new and deeply complex challenges. Addressing these challenges requires a coordinated and integrated response at the federal level, yet water management capacity is currently fragmented across over 20 different federal departments and outdated federal water laws and policies fail to account for a climate-impacted future.
- **Water-based natural disasters** are increasing exponentially, and so are the costs of recovery. Droughts, floods, and toxic algal blooms are increasing in both frequency and severity, costing billions of dollars in direct disaster assistance and untold billions more in lost economic revenue. Our capacity to manage these events is severely hampered by data and reporting deficiencies, a lack of national forecasting and prediction capabilities, outdated flood plain maps, and a failure to adequately incorporate climate change impacts.
- **Indigenous water rights** are inadequately recognized in current water management systems. A new nation-to-nation governance paradigm that is consistent with the principles of reconciliation and the United Nations Declaration on the Rights of Indigenous Peoples is needed to recognize Indigenous Nations' inherent rights to self-determination.
- **Fragmented water governance** is a cross-cutting issue that hinders the ability of governments across the country to address shared water challenges. River basins are composed of many overlapping jurisdictions, yet local, provincial, Indigenous, territorial, municipal, and federal governments lack the incentives, means, and capacity to effectively work together. This fragmentation extends beyond our national borders: transboundary river basins shared by Canada and the United States are also in need of governance renewal.



MODERNIZING FEDERAL FRESHWATER LEADERSHIP

Modernizing federal freshwater leadership will help ensure Canada's waters are healthy, sustainable, and resilient to climate change well into the future. To set the stage for this new era of federal leadership, two foundational changes are needed: a new Canada Water Agency and a renewed *Canada Water Act*.

A Canada Water Agency can and should be established in the short-term and built on over time to create a central coordinating mechanism for improving freshwater management across the country. The *Canada Water Act*, which hasn't been significantly updated in decades, requires comprehensive renewal to provide the legislative basis for modernized federal freshwater leadership. This renewal process should be undertaken through a co-drafting process with Indigenous Nations.

A CANADA WATER AGENCY IS A CRUCIAL FIRST STEP

Creating a new Canada Water Agency is a crucial first step to modernize federal freshwater leadership. The serious and urgent threats to Canada's long-term water security cannot be addressed simply by establishing a new federal agency. But getting the Agency up and running will help align federal freshwater programs, projects, and resources. The Agency will provide the coordination and capacity that will enable the federal government to undertake the transformative change necessary to safeguard Canada's freshwater in the face of a changing climate.

KEY ROLES OF A CANADA WATER AGENCY

- 1. Create and mobilize the knowledge needed to predict and respond to water problems and opportunities** by providing centralized and harmonized collection and dissemination of water information; supporting existing data collection efforts by academic institutions and nongovernmental organizations; generating water predictions including forecasting floods and droughts, water quality issues, harmful algae blooms, and future water supply and use; and providing decision-support services.
- 2. Strengthen transboundary water management and cooperative federalism** by prioritizing healthy and intact river basins, as well as committing capacity to anticipate, investigate, avoid, and resolve water-related disputes; providing national-scale leadership and guidance on water-related climate change adaptation strategies, including flood damage reduction; and providing guidance regarding the introduction of international best practices in Canadian water management.
- 3. Strengthen reconciliation with Indigenous peoples** by ensuring federal water law and policy is consistent with the United Nations Declaration on the Rights of Indigenous peoples; implementing a distinctions-based nation-to-nation relationship with Indigenous governments; and by co-developing the mandate and priorities of the Agency with Indigenous Nations.
- 4. Improve collaborative river basin planning** by building durable partnerships for water management and decision making with provinces, territories, municipalities, and Indigenous governments, with clear outcomes that include building resilience to extreme events, identifying priority areas for watershed restoration, and ensuring effective environmental flow regimes are in place across all levels of jurisdiction and authority.

THE CANADA WATER AGENCY CAN AND SHOULD BE ESTABLISHED EXPEDITIOUSLY

The Canada Water Agency can and should be established by November 2020; once the initial structure is in place, the important work of deeper institutional and legal reform can begin. We recommend undertaking three key steps to make the Agency a reality:

1. Establish the Agency

The first step is to establish and announce the Canada Water Agency by November 2020, approximately one year since the Minister of Environment and Climate Change received his mandate letter. The Agency does not need a full complement of staff at this time; rather, it just needs the authority and resources to develop its mandate and functions over time.

2. Initiate Co-Development with Indigenous Nations

Once the Agency is established, it can begin the process of developing its mandate and functions, including pulling together freshwater capacity from across the federal bureaucracy and establishing intergovernmental mechanisms for working with provincial, territorial, and Indigenous governments. These tasks should be undertaken in partnership with Indigenous Nations through a co-development process rooted in reconciliation and nation-to-nation relationships.

3. Commit Resources in Budget 2021

Significant resources to support the Agency's first year of operation should be committed in Budget 2021. In addition to supporting co-development with Indigenous Nations, resources should be allocated to support in-depth collaboration with provincial and territorial governments, local authorities, water organizations, academic institutions, and the general public.

EXECUTING A BROADER PROGRAM OF REFORMS

The Canada Water Agency is not an end game; rather, the Agency is a stepping stone toward broader reform of Canada's freshwater laws, policies, and institutions.

Some of this work has already begun. The government's motion to instruct the Standing Committee on Environment and Sustainable Development to review federal water policies and laws is a good starting point that will help identify ways forward. However, there is no need to wait for the results of this review to begin modernizing Canada's outdated federal freshwater legislation.

Renewal of the *Canada Water Act* is urgently needed and should begin as soon as possible. The Act is Canada's primary federal freshwater legislation, yet it has not been significantly updated in decades. It needs to be renewed to reflect our new freshwater reality, including addressing climate change, Indigenous water rights, and the evolving role of the private insurance industry in flood risk mitigation and damage reduction. This is a process that should be undertaken through a legislative co-drafting process with Indigenous Nations, one that is consent-based, rooted in nation-to-nation relationships, and consistent with the United Nations Declaration on the Rights of Indigenous Peoples.

A CONCRETE ACHIEVEMENT AND A LASTING WATER LEGACY

Establishing the Canada Water Agency will demonstrate the government's commitment to undertaking the transformative change needed to ensure Canada's water security in a climate-impacted future. But the perceived organizational complexity of the Agency must not impede its establishment. Rather than figuring out every aspect of the Agency before it is created, the Agency can and should be established expeditiously and be tasked with collaboratively developing its own mandate and functions over time. This is the **concrete achievement**: establishing the Agency in the short-term and making its transformative purpose clear from the outset.

The Agency, together with renewal of the *Canada Water Act*, are the first pieces of a **lasting water legacy** to modernize federal freshwater leadership. This legacy will help ensure that Canada's waters are healthy, sustainable, and resilient to climate change for future generations.





Water Security for Canadians

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