

Revitalizing the Environmental Trust Fund

Purpose

To provide an overview of the Environmental Trust Fund (ETF) in New Brunswick and recommend actions to strengthen its impact and sustainability for the future. This note highlights the fund's value, the need for dedicated government funding, and the importance of consulting with non-profit organizations on strategies to reinvigorate the ETF.

Issue Summary

The ETF plays a crucial role in supporting environmental initiatives in New Brunswick. However, it requires sustained financial support and strategic input to maximize its impact. This briefing outlines recommendations to ensure the ETF meets environmental objectives and addresses future challenges.

Background and Challenges

Importance of the ETF

- The ETF has been a key part of New Brunswick's efforts to tackle environmental issues since its inception.
- It provides great value to the people and communities of New Brunswick through education, research, community engagement, environmental protection, restoration, and monitoring.
- Organizations funded by the ETF help the government meet its environmental goals, including:
 - Improving water quality across the province
 - Reducing biodiversity loss
 - Improving species at risk populations
 - Strengthening climate change mitigation and adaptation efforts
 - Reducing waste and other forms of pollution
- ETF funds are often leveraged at a 3:1 ratio to attract other funding partners.

- These combined funds help employ many local, often young, New Brunswickers. A 2023-24 report by the New Brunswick Environmental Network (NBEN) found that 35 ETF-funded environmental non-profits employed 387 people, including at least 96 who were 30 and under (NBEN, 2024).

Funding Concerns

- The Government of New Brunswick recently repealed the New Brunswick Beverage Containers Act, eliminating the dedicated revenue source for the ETF.
- Former [Environment Minister Gary Crossman said](#) the accumulated surplus would be sufficient to continue funding projects at the current level while other revenue streams are evaluated (CBC, 2024). However, the government has not announced a solution to replace the ETF's yearly funding.
- Without a dedicated funding stream, the ETF risks being underfunded, especially during fiscal restraint periods.
- Reduced ETF funding will undermine essential projects and make it challenging for environmental non-profits to:
 - Fulfill government-mandated programs
 - Provide quality jobs
 - Support local economies

Stakeholder Engagement

- Non-profit organizations play a crucial role in environmental advocacy and project implementation in New Brunswick. These organizations have firsthand knowledge of local environmental needs and challenges.
- There is a growing concern that the current ETF structure does not fully capitalize on the expertise and input of non-profits.
- Regular consultation with these groups could lead to more targeted and impactful funding decisions.

Recommendations

1. Commit to dedicated funding for the ETF, ensuring its financial sustainability in the face of increasing environmental pressures.
 2. Consult with non-profit organizations and other stakeholders to assess gaps and develop strategies to reinvigorate and modernize the fund. This collaboration will ensure the ETF supports the most critical and innovative environmental projects.
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Significance and Impact

- The ETF is essential for addressing environmental issues in New Brunswick. It funds projects that help the government meet its goals, provides vital data for decision-making, offers learning opportunities for children and youth, and empowers communities to understand environmental issues and take action.
 - Without ETF funding, environmental not-for-profits and many other organizations will find it challenging and may be unable to contribute to fulfilling government-mandated programs or provide quality jobs, affecting local economies.
 - A commitment to dedicated funding for the ETF is crucial for long-term environmental resilience and public trust in the government's commitment to sustainability.
 - Engaging non-profit organizations in consultations is necessary to align the ETF with evolving environmental priorities and ensure its continued effectiveness.
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Analysis

Impact on Stakeholders and Rightsholders

1. **Non-Profit Organizations:** Non-profits are key implementers of environmental projects funded by the ETF. Their work in a consultation process would ensure their expertise is better used, leading to more effective project outcomes.
2. **Government Agencies:** Dedicated funding for the ETF would make it easier for local environmental groups to help the government achieve its environmental goals and tackle long-term environmental challenges, like climate change and water quality.
3. **General Public:** The public benefits from ETF-funded projects through improved environmental quality and public health. More transparency and consultation on the fund's priorities could improve public trust in the government's commitment to environmental sustainability.

Risks and Opportunities

- **Risks:** Without dedicated funding, the ETF could face periodic shortfalls, limiting its ability to address emerging environmental threats. A lack of stakeholder engagement could also lead to a mismatch between funded projects and the most pressing environmental needs.
- **Opportunities:** Strengthening the ETF through dedicated funding and stakeholder engagement can reinvigorate the fund and make it more responsive to New Brunswick's evolving environmental landscape. By doing so, the government can demonstrate its leadership on environmental issues and improve the province's resilience to climate change and other ecological challenges.

Current Status

While the ETF continues to support valuable projects across the province, its financial stability is uncertain, and it lacks a formal stakeholder engagement process. A clear government commitment to dedicated funding and more consultation is needed to ensure the ETF's long-term success.

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