



Policy Research  
Initiative

Projet de recherche  
sur les politiques

SUSTAINABLE DEVELOPMENT

# A Fresh Look at Freshwater



Canada

## Background

The Sustainable Development (SD) project started in 2001, examining general issues, such as corporate social responsibility, environment and trade, and policy instruments. In the fall of 2003, the project entered a second phase, focusing on freshwater issues.

Freshwater is a highly renewable, but increasingly stressed resource that is essential to all aspects of the economy and the environment. While Canada has large supplies of freshwater, much of it is north of the areas of greatest population and industrial need. Within the populated areas, high-quality freshwater in Canada is in increasingly short supply.

Water quality issues surface as boil-water advisories for citizens, illnesses caused by contaminated water (e.g., Walkerton in 2000), and increasing treatment costs for municipal water supplies. They also appear in the form of concerned citizens buying expensive bottled water for use in the home instead of tap water and disrupted aquatic ecosystems where pollution brings species closer to extinction.

Water quantity as an issue surfaces in Canada mainly in the agricultural prairies and in some of the dry but highly productive interior valleys of British Columbia. Now, it is appearing in other areas, such as southern Ontario. Near Perth, Ontario, a company had to fight with local residents to obtain a permit to extract water for its operations. In the Toronto region, development and groundwater recharge compete for space on the Oak Ridge Moraine.

As an issue within the federal government, freshwater is massively horizontal. An interdepartmental assistant deputy ministers' committee on freshwater has representatives from 19 departments and agencies. While Environment Canada and Health Canada lead many aspects of the committee's work, Natural Resources Canada, Fisheries and Oceans, and other departments also have lead roles for some aspects and supporting roles in others.

## The PRI's Fresh Look at Freshwater

The PRI's Freshwater project will focus on two major themes, each with sub-themes:

- Economic Instruments for Freshwater Management
  - Instruments for demand management
  - Instruments for pollution control
- The Federal Role in Freshwater Management
  - Freshwater within the federal house
  - International aspects of freshwater management
  - Freshwater and poverty in Canada
  - Climate change and freshwater policies

The **Economic Instruments** theme will examine the potentials, limitations, and pitfalls of using economic instruments for water management in Canada. Canada uses fewer economic instruments than most European countries for environmental issues, and water is no exception. Until recently, most households in Canada did not have water meters; many municipalities still charge flat rates or even regressive declining block rates (lower fees per unit volume for larger users). Most agricultural users – the largest water consumers in Canada – generally pay nothing for the water itself, paying only to run their own pumps and sprinkler systems.

Similarly, economic instruments, beyond fines for breaches of regulations, are rarely used for water pollution control.

The first activity under this theme is a symposium scheduled for June 14-15, 2004, in Ottawa (co-sponsored by the Walter and Duncan Gordon Foundation, Agriculture and Agri-Food Canada, Environment Canada, and the Canadian Water Network).

This symposium of experts is limited to 60 invited participants, to maximize the opportunity for meaningful discussion. Participants include international experts from Australia, Israel, the European Union, and the United States, as well as academics from across Canada, researchers and

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practitioners from provincial and municipal governments, representatives from federal departments, and environmental non-governmental organizations.

The **Federal Role** theme will examine a variety of subjects relating to the federal role in water management. Starting with a review of federal legislation, to determine roles and responsibilities, this theme will then examine how federal departments perceive and are discharging their responsibilities through a review of the sustainable development strategies using a freshwater lens.

Other sub-themes will include a review of federal policies for their robustness in the face of climate change impacts on freshwater resources, the role of the federal government in the provision of freshwater to First Nations and northern communities, and Canada's role in freshwater in the developing world.

This theme will be delivered largely through in-house and collaborative research projects, with a workshop planned for the climate change facet (jointly with Natural Resources Canada and the Climate Change Action Fund) in the fall of 2004.