

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, June 25, 2021 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **APPROVAL IN PRINCIPLE OF THE ALUS PEEL PILOT PROJECT**

KEY ISSUE

To receive approval from Toronto and Region Conservation Authority's (TRCA) Board of Directors to enter a pilot partnership between the Peel Rural Water Quality Program (PRWQP) and ALUS Canada (ALUS).

RECOMMENDATION

WHEREAS TRCA staff deliver the Peel Rural Water Quality Program (PRWQP), on behalf of the Region of Peel within TRCA's jurisdiction, and in partnership with Credit Valley Conservation within their jurisdiction in Peel Region;

AND WHEREAS the PRWQP provides technical and financial support to agricultural producers to implement best management practices and restoration on their properties;

AND WHEREAS the work of ALUS, a non-profit organization that works with farmers to restore and enhance the natural environment on their farms, complements the principles and goals of the PRWQP;

THEREFORE, LET IT BE RESOLVED THAT a 3-year ALUS Peel Pilot Project be endorsed in principle and that TRCA staff be authorized to enter into a Memorandum of Understanding with ALUS, the Region of Peel, and Credit Valley Conservation (CVC) to implement the ALUS Peel Pilot Project, subject to confirmed funding from ALUS;

AND FURTHER THAT ALUS, the Region of Peel, and CVC be so advised.

BACKGROUND

TRCA delivers the PRWQP within our own jurisdiction on behalf of the Region of Peel, with CVC delivering the program within their own jurisdiction. The intention of the PRWQP, launched in 2004, is to support agricultural landowners in achieving their environmental and stewardship goals. As part of this program, TRCA staff provide technical and financial resources to assist agricultural producers with implementing best management practice projects on their farm properties that help protect, restore and enhance surface and groundwater and deliver multiple co-benefits such as improved habitat, carbon sequestration, ameliorated air quality, expansion of greenspace and the natural heritage system, and others. Works implemented through the PRWQP include, but are not limited to, grassland and tree plantings, wetland creation, livestock fencing, nutrient management and erosion management projects.

Decisions on individual project funding and grant applications are made by the Peel Agricultural Advisory Working Group (PAAWG), which is composed of various interests, stakeholders and partners related to agriculture in Peel Region. During 2019-2020, PAAWG approved approximately \$212,094 in grants supporting the implementation of 31 voluntary farm

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stewardship projects. The grants leveraged an additional \$179,273 from project proponents and funders to help complete these projects.

In 2019, TRCA, CVC and Region of Peel staff began discussions with ALUS, originally an acronym for Alternative Land Use Services, to explore alignments between ALUS's program and the PRWQP and the opportunity for these two programs to partner for a pilot in Peel Region. ALUS is a Canadian non-profit organization that works with farmers to restore and enhance the natural environment on their farms thereby providing cleaner air, cleaner water, carbon sequestration, erosion control, flood mitigation, pollinator support and wildlife habitat. ALUS accomplishes this by supporting local, community-led programs in which farmers play a critical role. ALUS originated in 2000 and is active in six provinces, spanning from Prince Edward Island to Alberta and is well regarded in the agricultural community. Currently there are ALUS projects in eight Ontario communities, though none in the Golden Horseshoe.

ALUS shares many of the goals of the PRWQP and embodies many of the same operating principles. Like the PRWQP, ALUS focuses on supporting voluntary stewardship among farmers, with farmers playing a key role in designing and delivering the program at the community level. ALUS is unique, though, in providing annual payments to farmers for the provision of ecosystem services on their land.

Use of an annual payment as a way of recognizing the contribution that farmers make to environmental protection and enhancement can be a significant motivator for behaviour change, in particular for projects such as wetland creation and enhancement. The partnership with ALUS offers a delivery mechanism and funding to test the effectiveness of an annual payment system in motivating Peel farmers to undertake conservation action beyond the levels we have experienced to date with the PRWQP.

As part of this community-focused approach, each ALUS program is managed by a local ALUS Coordinator, which is a role that can be incorporated into existing workplans for staff associated with the local partner organizations delivering the ALUS program. ALUS also stipulates that a Partnership Advisory Committee (PAC), which is made up of agricultural producers and such local stakeholders as municipalities, conservation groups, farm associations and government agencies, makes decisions on individual project approvals and funding. It is anticipated that the existing PAAWG could fill the role of the ALUS PAC in a pilot.

RATIONALE

TRCA is working with ALUS, the Region of Peel, and CVC to develop a tailored approach to combining the PRWQP with ALUS' renowned locally-driven, farmer-to-farmer approach to restoring marginally productive agricultural land to create the ALUS Peel Pilot Project ("the Pilot"). This Pilot would be the first of its kind in the Greater Golden Horseshoe, reflecting the leadership of TRCA, the Region of Peel and CVC in supporting the environmental stewardship work of farmers. This Pilot has been approved by Peel Regional Council on May 27, 2021 (Resolution #2021-536) and by the CVC Board of Directors on June 11, 2021 (Resolution #66/21).

This Pilot will include providing annual payments to participating farmers in recognition of the benefits that such restoration projects provide. Note that not all project types currently funded under the PRWQP would be eligible for inclusion in the ALUS Peel Pilot Project. Currently, the PRWQP offers 16 different best management practice categories, with each category offering its own unique grant rate and cap. Of these categories, only five coincide with the ALUS program: Tree Planting, Livestock Fencing from Environmentally Sensitive Features, Erosion

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Control Structures and Natural Area Enhancement and Creation (includes projects such as wetland and grassland creation and/or restoration). Only projects falling under the coinciding five categories will be considered for funding under this Pilot Project.

Once complete, TRCA staff will work with the partners to assess the success of the Pilot, with an eye to continuing the project long term.

Proposed Pilot Project

A three-year pilot project is proposed that complements the existing PRWQP. ALUS would provide additional funding to support environmental stewardship projects carried out by farmers on their lands and thus increase the potential uptake of environmental restoration and enhancement projects by farmers in Peel. The focus would be on lands that are marginally productive, inefficient to farm, or environmentally sensitive. Farmers participating in the three-year Pilot will enter into contract with the program and receive 5 years of annual payments for implementing their project.

It is proposed that the Board of Directors authorize staff to enter into a Memorandum of Understanding (“MOU”) with ALUS, Region of Peel and CVC for the ALUS Peel Pilot Project, subject to confirmation of funding from ALUS. The MOU would embody the following principles:

- The Pilot will be an extension to the existing PRWQP, adding value to the existing program and providing national recognition;
- Communication materials used to publicize the Pilot will recognize ALUS as a supplement to the PRWQP;
- The Pilot will be locally led and managed by existing TRCA, Region of Peel and CVC staff within the principles set by ALUS;
- PAAWG will play a key role in advising on implementation of the Project and will be responsible for reviewing and approving applications from individual farmers for funding, fulfilling the role played by the ALUS PAC;
- The funding provided by ALUS will, at a minimum, cover the costs of the annual payments to farmers and the administrative costs above and beyond those related to administration of the PRWQP. The Pilot will not result in additional costs to TRCA, the Region of Peel or CVC. There is also the potential opportunity that ALUS could provide additional funding for on-site project implementation;
- The Pilot may be terminated if Region of Peel Council does not provide sufficient funds to implement the PRWQP at any point;
- The partners will evaluate the efficacy, benefits and costs of the Pilot and may extend the Pilot beyond the initial three-year term.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 2 – Manage our regional water resources for current and future generations

Strategy 5 – Foster sustainable citizenship

Strategy 7 – Build partnerships and new business models

Strategy 10 – Accelerate innovation

FINANCIAL DETAILS

Capital funding to support the PRWQP is provided by the Region of Peel (TRCA account 126-70). Program staff also apply to other funding sources when available, such as the Remedial Action Plan which is part of the greater Canada-Ontario Agreement Respecting the Great Lakes Basin. Over the course of the three-year pilot, ALUS has committed to contribute a minimum of

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approximately \$218,000 to the pilot across both TRCA and CVC jurisdictions in Peel Region, pending confirmation of required funding. The PRWQP is expected to bring approximately \$278,000, including in-kind, to the Pilot over the same time period.

DETAILS OF WORK TO BE DONE

If the Pilot is supported by the Board, the MOU will be signed by all four parties (Region of Peel, TRCA, CVC, ALUS). Subsequent to executing the MOU, the partners, with PAAWG's participation, will develop Pilot guidelines addressing items such as the types of farmer-initiated projects that will be eligible for funding and procedures for project administration. Relevant Pilot guidelines may also be included in the MOU.

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