



Realizing the Value of Nature to Unlock Billions for a Stronger, More Resilient Canadian Economy

Executive Summary

Nature has value that we are not accounting for. Canada holds 20% of global freshwater, 25% of wetlands, 24% of boreal forests and the world's longest coastline. This vast natural heritage provides benefits such as clean air and water, climate regulation and flood and fire mitigation. When properly valued in national planning and policy design, these nature-based solutions also generate real economic returns.

By enabling investment in practices that protect, manage or restore nature, known as Natural Climate Solutions (NCS), Canada could mitigate up to 78 million tonnes of CO₂e each year and support value creation across major economic sectors, such as agriculture, forestry and Indigenous-led economies. New research from leading institutions and experts — including [Oxford Economics](#), [Serecon](#), [University of British Columbia Professor Dr. Tara Atleo](#), [Wahkohtowin Development GP](#), [Smart Prosperity Institute](#) and the [Royal Bank of Canada's Climate Action Institute](#) — demonstrates the billions of dollars in value for Canadian communities, businesses and the environment that can be unlocked through targeted investments in NCS.

A central challenge to scaling NCS is that their value is largely realized outside conventional markets, creating weak investment signals for producers and landowners who often must absorb the upfront costs while providing public benefit. This report synthesizes evidence to show that each NCS pathway faces distinct barriers to adoption, driven by mismatches between when and how costs are incurred and benefits realized and highlights the need for reliable revenue streams such as carbon markets. Unlocking the full potential of NCS in Canada will require a creative and diverse suite of policy and finance mechanisms to catalyze private investment and align markets with Canada's long-term goals of self-reliance and resilience.

Indigenous stewardship and consent are foundational.

Indigenous governance, rooted in law and inherent rights alongside deep connection to place, provides legitimacy and durability for investment, ensuring consent and projects are co-designed with communities and reflect intergenerational priorities. Examples such as the [Great Bear Rainforest](#) and the [Cheakamus Community Forest](#) illustrate how Indigenous-led stewardship delivers diversified local economies, permanent jobs and cultural vitality, unlocking the potential of Indigenous economies as a central driver of Canada's clean growth strategy.

Managing timing and cost barriers is central to successful adoption.

In the Southern Prairies, widespread adoption of an NCS pathway for agriculture — cover crops — can generate over \$650 million in net financial returns by 2035 but requires more than five years to break even. Similarly, reduced tillage often demands capital investments of hundreds of thousands of dollars and up to a decade to deliver positive returns. These pathways can generate over \$6 billion dollars in public ecosystem benefits within the first ten years, but producers absorb nearly all upfront costs. Without flexible, outcome-focused policy tools, these delayed private returns and front-loaded

investment requirements slow adoption even when long-term economic and environmental benefits are clear.

Carbon markets unlock private investment in high-impact pathways.

Carbon markets are critical for the long-term financial viability of many NCS pathways. Without carbon revenues, pathways such as the conservation of old and biodiversity-rich forests in British Columbia or the conservation of endangered grasslands in the Southern Prairies remain persistently unprofitable for managers and producers. With the inclusion of carbon revenue, conservation of old growth forests becomes financially viable within two years and generates roughly \$7 in financial returns per dollar invested over ten years. Similarly, grassland conservation reaches viability within four years and generates approximately \$3 per dollar invested. Credible carbon markets can shift NCS pathways from persistent financial losses to investable opportunities, while also unlocking substantial public benefits such as water purification, erosion regulation and air quality regulation.

Recognizing shared public benefits strengthens the case for co-investment.

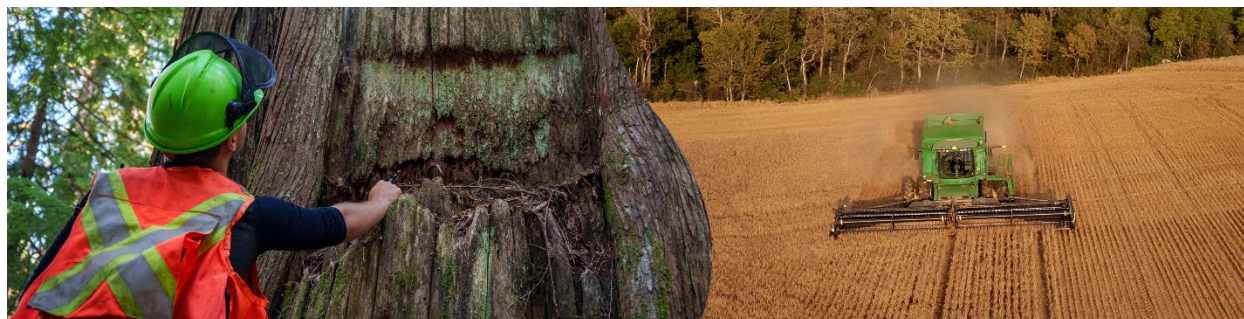
A defining challenge for many NCS pathways is the mismatch between who pays and who benefits. Private landowners typically bear adoption costs while receiving a fraction of the total benefits realized. Climate regulation often accounts for the largest share of created value, up to 97% in the case of fire risk management. With additional regional and national benefits, such as pollination and flood mitigation, this value can reach hundreds of millions of dollars by 2035. This imbalance underscores the need for co-designed investment platforms that combine public, philanthropic and private capital to scale NCS adoption and align incentives with nature's full value.

Investing in data, measurement and monitoring systems can reduce costs and uncertainty for investors.

Integrated data infrastructure — combining remote sensing, field monitoring and Indigenous-led systems — supports credible, outcome-driven solutions and lowers barriers to adoption. Initiatives such as [Harvest to Gather](#) demonstrate how unified planning and knowledge transfer accelerate the uptake of regenerative practices, while government-enabled monitoring systems in [Prince Edward Island](#) have reduced environmental impacts and facilitated access to carbon markets.

Canada's nature advantage is clear.

NCS pathways can deliver substantial economic, environmental and social value across Canada, but their full adoption remains constrained. Now is the time for coordinated action. Corporations must integrate natural capital into business models. Policymakers must de-risk investment and stimulate markets that help replicate and scale nature-positive business models and grow Indigenous equity across the value chain. By embracing these solutions, Canada can unlock the full value of its working landscapes, secure long-term prosperity and position itself as a global leader in nature-based economic growth.



Photos: Joshua Neufeld, Andre Brandt