

May 12, 2026

Environment and Climate Change Canada  
Place Vincent Massey Building  
351 Saint-Joseph Boulevard  
Gatineau QC K1A 0H3

To whom it may concern,

As Newfoundland and Labrador's industry association dedicated to advancing environmentally sustainable economic growth, econext welcomes the opportunity to comment on the 2026–2029 Draft Federal Sustainable Development Strategy (FSDS).

With a network of approximately 200 member businesses, research institutions, governments, and organizations, econext serves as a leading voice for Newfoundland and Labrador's green economy. We connect members to opportunities in the green economy, champion supportive public policy, build capacity across businesses and communities, and advance innovation through research and sector insights..

econext's members represent a group whose work can contribute to the goals set out within the FSDS. As an organization that underscores the importance of environmental responsibility balanced with economic growth, we are pleased to see the continued emphasis on key priorities within the green economy. As Canada continues to transition toward a lower-carbon economy, the FSDS provides an important framework for strengthening competitiveness and supporting innovation.

## **Commentary**

### *Goal 2.1: Build a productive and low-carbon economy*

We support the inclusion of clean growth as a key pillar within the 2026-2029 FSDS, and recognize the importance of growing Canada's environmental and clean technology sector. Implementation Strategy 2.1.2.1 appropriately recognizes the importance of innovation, commercialization, and clean economic growth. We also note that Target 2.1.2, which aims for the environmental and clean technology sector to account for 3% of GDP by 2029, had already been achieved by the progress indicator in 2023. We recommend establishing a more ambitious target that reflects the sector's increasing importance.

Including specific renewable electricity targets would provide clearer direction for investment and infrastructure planning, while reinforcing Canada's commitment to the energy transition. Newfoundland and Labrador is well positioned to support this through its significant hydroelectric and wind resources, creating economic opportunities, expanding clean electricity access, and progressing Canada's emissions-reduction goals.

Greater emphasis should also be placed on workforce development and measurable skills training outcomes to address growing labour shortages. Across Newfoundland and Labrador, numerous clean energy projects are advancing that will require significant workforce capacity. Existing skills shortages pose a significant risk to project timelines and costs, particularly as jurisdictions across Canada compete for the same talent pool.

#### *Goal 2.4: Promote energy efficiency*

The expanded focus on energy efficiency and deep retrofits reflects the growing importance of reducing pressure on electricity systems while improving affordability and lowering emissions. With the conclusion of the Canada Greener Homes Grant and Loan programs, and the transition to the Greener Homes Affordability Program, continued investment in retrofit support will be essential. The loss of these key programs has created gaps in supporting Canadians in the transition toward more energy-efficient homes.

In Newfoundland and Labrador, programs such as the Shift Program, an initiative led by econext in partnership with the City of St. John's, have demonstrated the importance of providing homeowners with access to retrofit supports. The program highlights the continued need for financial assistance to help Canadians feel supported and incentivized to improve home energy efficiency and support progress toward Target 2.4.1. We recommend a stronger federal commitment to long-term financing and support mechanisms for energy efficiency initiatives.

#### *Goal 2.5: Expand access to sustainable transportation*

Investments in public transit, active transportation, and zero-emission vehicle (ZEV) infrastructure represent important components of reducing emissions and improving transportation accessibility. However, the limited consideration of marine transportation with the FSDS presents a notable gap within the strategy, particularly for coastal and remote regions that rely heavily on passenger ferries and marine transportation infrastructure.

While the continued growth of Canada's ZEV network is important, renewable fuels should also be recognized as a critical component to sustainable transportation. In Newfoundland and Labrador, investments to support the development of biofuel infrastructure would help position the province to participate more fully in Canada's evolving clean fuel economy, despite being exempt from Renewable Fuels Regulations. Expanding biofuel production would create economic opportunities and contribute to greenhouse gas emissions reductions locally and in other markets.

#### *Goal 3.1: Reduce greenhouse gas emissions*

Reducing greenhouse gas (GHG) emissions remains a critical component of strengthening the clean economy and addressing climate change, which underscores the Government of

Canada's commitment to Implementation Strategy 3.1.1.1 in accelerating emissions reductions across sectors. While progress has been made, Canada is not currently on track to meet 2050 net-zero objectives. Increased investment, infrastructure, innovation support and incentives for industry adoption of clean technologies will be essential to closing this gap. Additional investments in reducing emissions from federal fleets, and encouraging clean fuels and viable technologies for national safety and security operations, remain important objectives for meeting Target 3.1.2.

#### *Goal 3.2: Support climate adaptation*

We are pleased to see continued emphasis on climate adaptation and resilience planning. Supporting preparedness, emergency response, and infrastructure will be increasingly important for rural, remote, northern and Indigenous communities disproportionately impacted by climate change.

#### *Goal 3.4: Improve water and air quality*

The ongoing focus on improving wastewater infrastructure remains a priority for public health and environmental sustainability. However, under the previous 2022–2026 FSDS, progress toward achieving 100% wastewater effluent compliance was limited. In Newfoundland and Labrador, dozens of communities remain non-compliant with the Wastewater Systems Effluent Regulations due to the high costs associated with infrastructure. Without financial support, communities will continue to face significant challenges in meeting draft FSDS targets and timelines.

Implementation Strategy 3.4.2.1 appropriately emphasizes the importance of maintaining and improving wastewater infrastructure. However, greater focus should also be placed on increased support for innovation in wastewater treatment systems that could help improve affordability and support long-term environmental outcomes.

#### *Goal 3.5: Reduce and manage waste*

The strategy's focus on circular economy principles, waste reduction, recycling, reuse, and innovation reflects the growing importance of resource efficiency and sustainable waste management. However, progress toward national waste diversion targets remains slow. Newfoundland and Labrador recorded the lowest waste diversion rate per person in Canada in 2022, and currently lacks a mandatory organic waste management system. Many communities and businesses do not yet have the infrastructure needed to support diversion efforts.

econext sees strong potential in using organic waste streams to produce low-carbon fuels and other value-added products, and Implementation Strategy 3.5.1.2 appropriately highlights innovation for secondary waste markets to reduce landfill mass. Investment in innovation, infrastructure development, and commercialization related to low-carbon fuel production would help accelerate progress toward both organic waste diversion and GHG-reduction objectives.

Overall, we value the opportunity to provide feedback on the Draft Federal Sustainable Development Strategy 2026-2029, and recognize the importance of establishing an updated national framework for sustainable development. The final strategy will benefit from continued collaboration with industry, communities, Indigenous partners and individuals across Canada to ensure it remains practical, ambitious, and responsive to provincial and national environmental and economic considerations.

We appreciate the Government of Canada's continued commitment to advancing sustainability and green economic growth, and we look forward to continued coordination in support of these shared objectives.

Sincerely,



Laura Barron

CEO, econext