



# The Canadian Ecological Gifts Program

A legacy for tomorrow – a tax break today



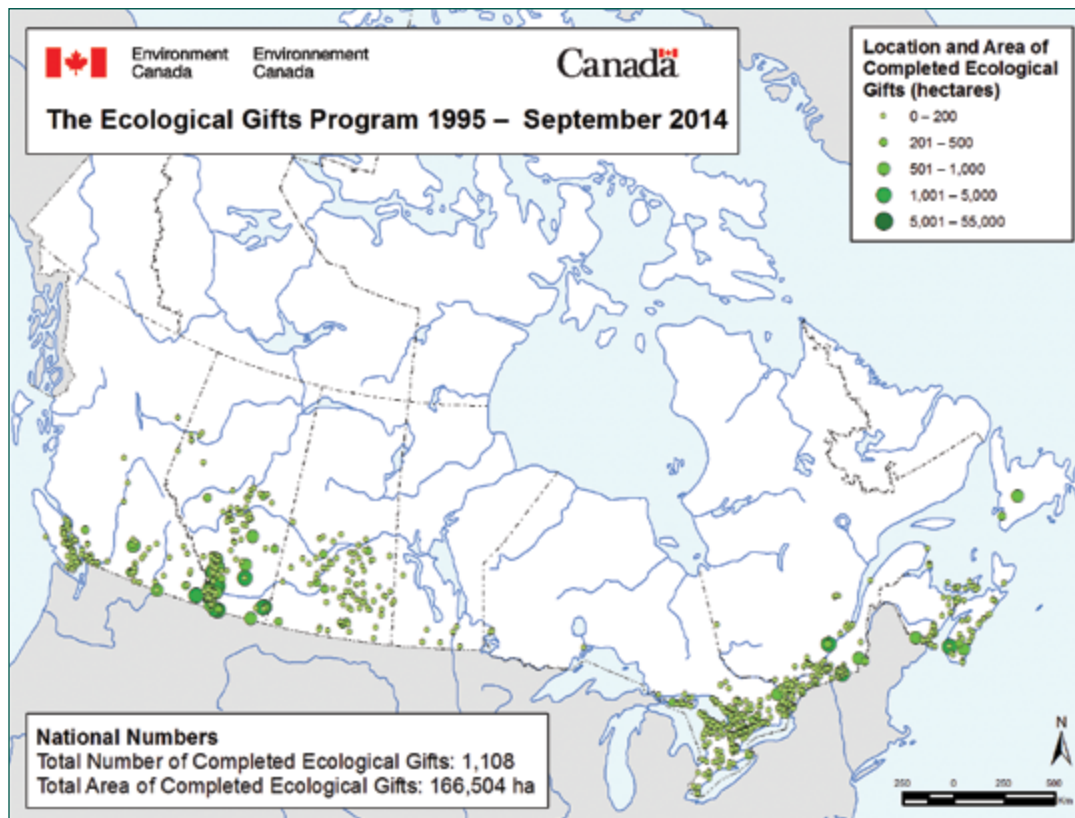
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# Canada's Ecological Gifts Program

Habitat loss and degradation are the greatest threats to biodiversity in Canada today. Since many important habitats are found on private property, landowners play a vital role in habitat conservation. This is why members of the public, environmental groups, provinces and municipalities wanted a program to support conservation on private lands. The Ecological Gifts Program (EGP) was created in 1995 to serve this role.

Canada's EGP provides a way for Canadians with ecologically sensitive land to create a natural legacy for present and future generations. It offers significant income tax benefits to landowners who donate land for safekeeping to qualified recipients such as land trusts and other nature conservation organizations. These recipients take on the job of ensuring that the land's biodiversity and environmental heritage are conserved forever.

A wide variety of lands have been protected under the EGP, including forests, grasslands, wetlands and shorelines. If a property has features that have been conserved in their natural state, it may qualify as an ecological gift.

## What is an ecological gift?

An ecological gift is a donation of land or a partial interest or right in land to an approved recipient. The landowner may choose to make a **fee simple** donation, donating the land outright to provide the maximum ecological protection and largest tax benefit. Alternatively, one may choose to donate a **partial interest** with a conservation easement, covenant or servitude, maintaining the connection to the land while restricting the potential uses of that land in favour of conservation.

A proposed gift must be certified by the Minister of the Environment as ecologically sensitive to qualify as an ecological gift. The Minister will also approve the recipient and determine the fair market value of the donation.

*Between the Ecological Gifts Program's inception in 1995 and September 2014, Canadians donated more than 1 100 ecological gifts, protecting more than 166 000 hectares (ha) of land valued at more than \$715 million. Many of these ecological gifts contain habitats designated as having national, provincial or regional importance, and many include rare or threatened habitats that are home to species at risk.*



## Who is involved?

Canadians can protect the environment and gain financial benefits by working with the EGP. Here are a few types of groups that help protect nature every day through the program.

### Charitable recipients

Gifts of ecologically sensitive land may be donated to eligible environmental charities, which include land trusts and other nature conservation organizations. Over 130 such charities across Canada are eligible under the EGP. To be approved by the Minister of the Environment to receive ecological gifts, charities must have as a primary mandate the conservation and protection of Canada's environmental heritage.

### Government recipients

Gifts may be made to federal, provincial and territorial governments, Canadian municipalities, and municipal or public bodies that perform a function of government. These groups have the resources and often the experience necessary to manage environmentally sensitive land and safeguard it on behalf of Canadians.

### Individual donors

When a landowner loves the beauty and ecological diversity of a piece of property and wants to protect it for future generations, making an ecological gift can offer peace of mind—and income tax benefits.

### Corporate donors

A company that makes an ecological gift donation also receives income tax benefits. Many corporate donors use the program to help advance their corporate social responsibility to conserve the environment.

### Professional advisors

Each ecological gift requires a team of advisors that includes biologists, surveyors, land assessors, financial advisors, accountants, and lawyers. These professionals ensure that ecological gift transactions are carefully and credibly undertaken for the benefit of both donors and recipients.

## Great Marsh of the Rivière-des-Mille-Îles ecological gift increases parkland

As one of the last bastions of wildlife in the Greater Montréal area, the Parc de la Rivière-des-Mille-Îles protects some 30 islands and a few shore sites. In November 2004, this 400 ha park was extended by another 6 ha, thanks to an ecological gift made by Marcelle Cordeau-Parent to *Éco-Nature de Laval*, a non-governmental charitable organization that protects and manages the park.

Mrs. Cordeau-Parent had hoped to leave the property she loved to her children and grandchildren. However, because the land is a floodplain inaccessible by road, one of her sons suggested that she give it to an organization that would protect it over the long term. After her accountant put her in touch with *Éco-Nature de Laval*, Mrs. Cordeau-Parent donated her land as an ecological gift. The place that is so dear to her and her family is now protected forever.



Photo: Jean Lauzon  
© Environment Canada, 2015

*“We sailed among the water lilies in a rabascaw (canoe) and we observed ‘prehistoric’ fish, turtles and a large variety of birds. When I saw all this natural beauty so close to Montréal, and canoeists who were enjoying it, I knew that now everyone, not just my children and my grandchildren, could learn about nature thanks to my marsh. I hope that my gift will allow future generations to enjoy all the beauty that nature holds.”*

**– Mrs. Marcelle  
Cordeau-Parent**



## Ecological gifts protect habitats and species at risk

Many ecological gift properties contain habitats that are home to species at risk. Here are but a few of the species protected by the EGP across Canada:

- **Atlantic Canada:** Piping Plover
- **Quebec:** Eastern Loggerhead Shrike and Western Chorus Frog
- **Ontario:** Massasauga Rattlesnake, Acadian Flycatcher and Butternut Tree
- **Manitoba and Saskatchewan:** Burrowing Owl and Sprague's Pipit
- **Alberta:** Western Blue Flag Iris, Leopard Frog and Ferruginous Hawk
- **British Columbia:** Yellow-breasted Chat and Western Screech Owl

*Photo: Ron Bazin © Environment Canada, 2015*







## A milestone: the thousandth gift!

The Red-headed Woodpecker, Bobolink and Northern Prairie Skink are just some of the species at risk that live on an ecological gift property near Arizona, Manitoba. Originally a quarter section farm (65 ha), the woodland, mixed-grass prairie and wetland areas provide some of the last remaining intact habitat for 23 species of conservation concern. Thanks to the generosity of Trevor Pizzey and Karl Gerrand, 59 ha of native vegetation will continue to provide a safe haven for these threatened creatures into the future.

The donors originally bought the former farm as a place to enjoy nature. In time, they realized that they wanted to ensure that the land would never be developed in order for future generations to experience an untouched wilderness that past generations took for granted.

The recipient, the *Manitoba Habitat Heritage Corporation*, is a non-profit provincial Crown corporation established in 1986 that facilitates conservation partnerships to conserve, restore, and enhance fish and wildlife habitat in Manitoba.

*“The Manitoba Habitat Heritage Corporation is a proud partner in the Ecological Gifts Program and we will be responsible for conserving this prairie ecogift in perpetuity. Working to conserve Canada’s natural legacy through partnerships is what we do.”*

**– John Whitaker, Chairperson of the  
Manitoba Habitat Heritage Corporation**

## Donation options

There are a number of different options to make a donation. Here are some of the most popular types of ecological gifts:

- **Complete donation:** The donor may choose to make a fee simple or partial interest donation, receiving a full tax receipt based on the fair market value of the land.
- **Split receipt:** The donor may choose to make a fee simple or partial interest donation, receiving part of the value of the land in the form of a tax receipt and the remainder in a cash payment from a willing and qualified recipient.
- **Life estate:** The donor may choose to make a fee simple donation but retain unfettered use of the land as long as he or she lives.

## Income tax benefits

Today, donors of ecological gifts enjoy significant tax advantages and the comfort that their gifts are protected in perpetuity. The donors receive a charitable receipt from the recipient for the fair market value of their donated ecological gift and then apply that amount against their net annual taxable income. Corporate donors deduct the amount directly, while individuals use the sum to calculate a non-refundable tax credit. Each tax and donation situation is unique, and obtaining independent, professional legal and tax advice is strongly recommended.

Other advantages of ecological gifts include:

- No tax on capital gains for capital gifts
- No limit on the total value eligible for deduction/credit in any one year
- A ten-year period to apply the receipt to income





## A conservation easement in Oxford County, Ontario – Mud Lake

With only 1 ha of open water and over 50 ha of cattails, bulrushes and reeds, Mud Lake is actually a fen. Since two thirds of southern Ontario's original wetlands have disappeared, it is important habitat for countless migratory birds. The Bucknells donated 45 ha of sensitive land in Mud Lake through a conservation easement registered on title to the *Nature Conservancy of Canada* so that their property is protected regardless of future ownership. Thanks to Don and Ruth Bucknell, much of Mud Lake will remain in a natural state forever.

*"We have always been very concerned about the loss of wetland and woodland habitat. Forty years ago we purchased a marsh and pond known locally as Mud Lake. Over the years we have enjoyed this property immensely and have added to its wildlife value with reforestation. [With the conservation easement], it will continue to be preserved with absolutely no development of any kind allowed now or in the future, regardless of who owns the property."*

**– Ruth and Don Bucknell**



Photo: John Mitchell © Environment Canada, 2015



## Steps to making an ecological gift

An ecological gift marks the culmination of a process that begins when a donor decides to create an environmental legacy.

Environment Canada needs to verify that the proposed gift is ecologically significant, ensure that the recipient selected is capable of managing the land in perpetuity, and determine the fair market value of the donation. Environment Canada takes its responsibilities seriously and has established detailed application procedures. Each step takes time, and costs are associated with the process, so it is important to start early to complete the gift within a particular tax year.

You can find more information on each of these steps in the Canadian Ecological Gifts Program Handbook, available through the EGP website at [www.ec.gc.ca/pde-egp](http://www.ec.gc.ca/pde-egp).

- 1. Talk to your Ecological Gifts Program (EGP) regional coordinator.** If you are considering making an ecological gift, please start by contacting the EGP coordinator for your region. Email addresses and telephone numbers are available through the EGP website at [www.ec.gc.ca/pde-egp](http://www.ec.gc.ca/pde-egp).
- 2. Seek professional advice.** Independent financial and legal advisors will help you make the decision that best suits your situation.
- 3. Select and meet with an eligible recipient.** This will give you an opportunity to discuss your mutual conservation goals.
- 4. Prepare EGP documentation.** Work with your proposed recipient to prepare an ecological assessment to document the ecological value of the property.
- 5. Secure an independent appraisal.** This appraisal, by a qualified professional, is required to help Environment Canada determine the fair market value of the donation.
- 6. Submit your application.** You need to apply to Environment Canada.

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**7. Receive a Certificate of Ecological Sensitivity.**

Environment Canada, or if you are in Quebec the *Ministère du Développement durable, de l'Environnement et Lutte contre les changements climatiques*, confirms that the land contains ecologically sensitive features worth protecting.

**8. Receive a Notice of Determination of Fair Market Value.** Environment Canada provides you with a notice that establishes the fair market value of the donation.

**9. Complete the donation.** Upon formal acceptance of the fair market value, complete the land transfer to the recipient.

**10. Receive your tax forms.** In addition to the Certificate of Ecological Sensitivity (*Visa fiscal* in Quebec) provided to you earlier in the process, Environment Canada will issue you a Statement of Fair Market Value so that the recipient can issue you an official donation receipt, all three of which will be used for tax purposes.

EGP staff members are committed to supporting donors and recipients through the application process.

*Photo: © Thinkstock, 2015*









## Keeping a company tradition alive

Connors Bros. Clover Leaf Seafoods is a company with deep roots going back more than a century in New Brunswick. Lewis and Patrick Connors began fishing the waters off Blacks Harbour in 1885; the brothers established a sardine canning operation and created a company in 1893. The corporate owners donated two coastal properties (South Wolf Island Nature Preserve in 2013 and the Connors Bros. Nature Preserve in 2012) to the *Nature Trust of New Brunswick* to honour this long history and help protect an ecosystem that has provided a living for so many fishing families. A stewardship fund has been set up to manage the two preserves in perpetuity. The 43 ha South Wolf Island Nature Preserve, with nearly 2 km of high-quality undeveloped coastline, is the southernmost island in the Wolves Archipelago and is a wintering site for Purple Sandpipers and the provincially endangered Harlequin Duck. The Connors Bros. Nature Preserve at Pea Point, Blacks Harbour, covers 43 ha, with 1.5 km of coastline. The preserve is linked ecologically to the Bay of Fundy tides.

*“Southern Wolf Island and the land at Pea Point have been part of Connors Bros. for over 100 years. They are an important part of the history of our company, and also of the coastal history of New Brunswick. These land donations represent our ongoing commitment to sustainability, to protecting our coastlines and waterways, and to the people of this region who have made Connors Bros. Clover Leaf Seafoods Company the world leader it is today.”*

**– Ron Schindler, Executive Vice President  
and Managing Director of the Connors Bros.,  
Clover Leaf Seafoods.**



## Getting professional assistance from advisors

Environment Canada strongly encourages donors and recipients to seek professional third-party advice and support. Many professional advisors can offer invaluable assistance in creating a conservation legacy. Each of them can bring a special expertise to the process and help donors make informed decisions and successfully complete their donations. Every donor should get appropriate advice to ensure the best outcomes.

**Lawyers and notaries:** Donors should obtain their own independent legal advice on the legal aspects associated with donations such as purchase and sale agreements, covenant and easement wording, and life estates.

**Accountants and financial advisors:** Donors should consult a professional financial advisor and/or accountant early in the application process to discuss the income tax benefits and implications of making an ecological gift donation.

**Biologists:** An ecological assessment of the land is necessary to document ecological features and establish a baseline report, if appropriate, so that EGP staff can assess the degree of ecological sensitivity of the property. Most recipients can provide the necessary biological expertise or recommend a qualified biologist.

**Land and real estate appraisers:** An appraisal by an independent qualified appraiser is necessary so that Environment Canada can determine the fair market value of the donation.

**Surveyors:** As part of the appraisal, a legal survey of the property is often required.

## Attention advisors!

From time to time, continuing education courses and professional workshops are offered for the many professional communities involved in the program. These sessions are typically organized through regional land trust alliances, where available, and can help advisors participate in the ecological gifts process.





## A nature park on the Oyster River

Thanks to generous donors, conservation organizations, professional advisors and all levels of government working in partnership, two properties on the Oyster River on Vancouver Island, British Columbia, are now sanctuaries for species at risk, as well as migrating and wintering waterfowl such as Trumpeter Swans.

The Evans family worked with *Ducks Unlimited Canada* and many advisors to create a vision and establish specific long-term conservation goals for the property. The family's ecological gift—now Bear Creek Nature Park—made it possible to create a package of conservation lands that also included an easement on their Shelter Point Farm. Financial partners included private donors, the federally-funded Natural Areas Conservation Program, the Pacific Salmon Foundation and the Comox Valley Regional District.

*“Professional advisors helped us honour the family's wishes and the conservation needs of the land. These advisors greatly contributed to the success of the process, ensuring that the property will be protected in perpetuity.”*

**– Dan Buffet, Ducks Unlimited Canada**

*Photo: David Cunningham © Environment Canada, 2015*







## Contact the Ecological Gifts Program

For further information on the EGP, including the application and appraisal processes, please contact us. Additional details are found in many publications, including the EGP Handbook, on our website. All of our print publications are available upon request.

**Website:** [www.ec.gc.ca/pde-egp](http://www.ec.gc.ca/pde-egp)

**Email:** [pde-egp@ec.gc.ca](mailto:pde-egp@ec.gc.ca)

## Program – Regional Offices

Contact information for our regional offices is available on our website.

- Atlantic Office (Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick)
- Quebec Office
- Ontario Office
- Prairie and Northern Office (Manitoba, Saskatchewan, Alberta, Northwest Territories and Nunavut)
- Pacific and Yukon Office (British Columbia and Yukon)

**[www.ec.gc.ca](http://www.ec.gc.ca)**

Additional information  
can be obtained at:

Environment Canada  
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10 Wellington Street, 23rd Floor  
Gatineau QC K1A 0H3  
Telephone: 1-800-668-6767  
(in Canada only) or 819-997-2800  
Fax: 819-994-1412  
TTY: 819-994-0736  
Email: [enviroinfo@ec.gc.ca](mailto:enviroinfo@ec.gc.ca)

