



# Evaluation of the Habitat Conservation and Protection Program

Natural Heritage Conservation Program and  
Target 1 Challenge

At a glance

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# Overview

The Natural Heritage Conservation Program (NHCP) and the Target 1 Challenge Fund (T1C) are transfer payment programs under the Canada Nature Fund, which provide contribution funding to eligible recipients to achieve results aligned with ECCC's policy objectives and priorities. Eligible recipients include provinces or territories, land trusts, non-government organizations, and Indigenous governments, Nations, communities, and organizations for both funding programs.

## **Natural Heritage Conservation Program**

The [Natural Heritage Conservation Program](#) was established in 2019 through the [Nature Legacy for Canada initiative](#). It was designed to support the acquisition and stewardship of ecologically sensitive private lands. The program enables selected recipients to acquire land as well as manage further disbursement of contribution funds aimed at assisting local and regional land trusts in securing and managing ecologically sensitive lands across Canada.

## **Target 1 Challenge**

[Target 1 Challenge](#) (T1C) was first established in 2019 through the [Nature Legacy for Canada initiative](#). It provides funding to Indigenous and non-Indigenous recipients. It aims to support the establishment of protected areas and the recognition of Other Effective area-based Conservation Measures (OECMs). Protected areas and OECMs, in this context, may or may not be designated as Indigenous Protected and Conserved Areas (IPCAs). Funding for Target 1 Challenge was allocated through an open call for proposals. It was provided to both Indigenous and non-Indigenous recipients for the purpose of establishing protected areas and recognizing Other Effective area-based Conservation Measures (OECMs). Completed projects were to be submitted to the [Canadian Protected and Conserved Areas Database](#) (CPCAD).

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# Scope and Methodology

## Scope

The Evaluation of the Habitat Conservation and Protection Program - Natural Heritage Program and Target 1 Challenge evaluation covers from 2018-2019 to 2023-2024. The evaluation focuses on the following themes:

**Resources and design**

**Delivery and outputs**

**Results and efficiency**

## Methodology

A variety of sources was used, including :

### **File review**

Approximately 100 files including program documents, case studies, written input from internal partners, and literature reviews.

### **Data analysis**

More than 2,000 data points of administrative and financial data.

### **Interviews**

5 interviews and informal discussions with program administrators and officials.



## Resources and design

**Resource allocation and use:** Over the evaluated period, \$153.3 million was spent to support the delivery of the NHCP and \$141.2 million was spent to support the delivery of T1C, for a total of \$294.5 million. Of this, \$3.7 million was allocated to ECCC's program administration expenditures, or approximately 1.7 percent of total program expenditures.

**NHCP terms and conditions:** Large, high value projects are an impactful and cost-effective approach to area-based conservation. Under the first phase of the NHCP, the Boreal Wildland project secured the most hectares, and at the lowest cost per hectare to ECCC. However, existing terms and conditions make it challenging for NHCP recipients to execute large, multi-million dollar securement projects.

**Support for municipalities' efforts to conserve habitats:** Local governments such as municipalities have some degree of authority over land-use and land-use planning. Despite documented interest in advancing area-based conservation work and in contributing to Canada's nature conservation goals, municipalities are not directly supported in their efforts to conserve and protect habitats.

## Delivery and outputs

**Engagement and collaboration with conservation partners under T1C:** ECCC has a national convening role among Canadian stakeholders for nature conservation. Over the evaluated period, lessons were learned from experience with the delivery of the T1C funding program, such as the importance of early engagement with all parties and the provision of financial support to all parties. These lessons have shaped ECCC's approach in engaging with Indigenous nations and other partners, leading to successful initiatives like the Nature Agreements.

**Mitigating the impacts of COVID-19:** The delivery of both funding programs was impacted by the COVID-19 pandemic. Challenges to NHCP delivery were successfully mitigated in collaboration with recipients. As a result, the program exceeded its land securement target. As for T1C, challenges to program delivery were mitigated to the extent possible. Mitigation strategies included undertaking consultations online instead of in person, carrying over or re-allocating funding, and adapting activities and processes to meet objectives.

**Administration of T1C contribution agreements:** The complex and burdensome intake and review process for T1C contribution agreements, resulted in delayed transfer payments, affecting project schedules, which were further exacerbated by COVID-19. Program administrators view the reporting requirements as overly burdensome and not aligned with performance measurement needs, impeding data availability and ongoing monitoring of T1C.

**Matching funds:** Recipients are required to secure matching funds, in direct proportion to the amount of ECCC funding received through the NHCP and T1C. Over the evaluated period, more matching funds than required were secured overall. As a result, NHCP and T1C recipients leveraged \$261 M in ECCC funding to secure a total of \$635 M in matching funds.



## Results and efficiency

**Securement of ecologically sensitive lands under NHCP:** The first phase of the Natural Heritage Conservation Program secured 240,522 hectares of ecologically sensitive private lands, with two very large projects accounting for 72 percent of the secured hectares. Approximately 90 percent of the total secured area has been reported on the Canadian Protected and Conserved Area Database.

**NHCP administration cost-effectiveness:** The administrative cost incurred by ECCC for the first phase of the NHCP was very low, under one percent of total spending. As for the administrative cost of administering the further distribution of contribution funding, NCC respected the established limit for overhead costs, for a total of \$14.3 million. Securement cost per hectare for ECCC was \$584 on average, which is 31 percent lower than spending under the previous program NACP, after adjusting for inflation.

**Protecting and conserving habitats under T1C:** Over the evaluated period, the Target 1 Challenge funding program supported the securement of 15 million hectares or 1.5 percent of Canada's landmass, making a positive contribution to both area-based conservation and reconciliation with Canada's Indigenous Peoples.

# Conclusion

The evaluation of the Natural Heritage Conservation Program (NHCP) and the Target 1 Challenge (T1C), part of the Habitat Conservation and Protection Program (HCP), highlights significant achievements and lessons learned over the evaluated period. Both programs have made contributions to biodiversity conservation and the protection of ecologically sensitive lands in Canada.

The first phase NHCP successfully secured 240,522 hectares of ecologically sensitive private lands, surpassing its target of 235,000 hectares. This achievement was driven by large-scale projects in Northern Ontario and Northern Manitoba. These projects not only conserved vast areas of wildlife habitat but also demonstrated cost-effectiveness. T1C supported the securement of 15 million hectares, contributing to the conservation and protection of 1.5 percent of Canada's landmass. Both programs have made significant contribution to advancing Canada's conservation goals, demonstrating the importance of strategic resource allocation, collaboration with conservation partners, and agile management. Both programs also faced challenges and learned lessons which provide valuable insights for future conservation efforts.

Target 1 Challenge funding has been allocated and T1C under Nature Legacy has come to an end. Lessons learned from the administration of T1C were leveraged in the design and ongoing delivery of Indigenous-Led Area-Based Conservation, the Nature Agreements, and the Project Finance for Permanence. The Nature Heritage Conservation program is ongoing for an additional two years and no major challenges were identified. As a result, no recommendations are made to senior management.