



**BILL  
S-243**

An Act to enact the Climate-Aligned Finance Act and related amendments to other Acts

## Saskatchewan Association of Rural Municipalities

The new legislation would require financial institutions and Crown corporations to develop action plans and targets; establish a duty of alignment with climate commitments for directors and officers of entities; require the appointment of a person with climate expertise to certain boards of directors; and establish a capital adequacy requirement proportionate to the climate risks generated by financial institutions.

Bill S-243 (the “Bill”) is currently with the Senate for consideration and has been referred to the Senate committees for review as of June 8, 2023.

The Bill aims to guide Canada’s financial sector through an orderly transition to a low-carbon economy in order to meet our climate targets while safeguarding the financial system from the systemic risks posed by climate change.

## The Voice of Rural Saskatchewan



**SARM.ca**

**As representatives of rural municipalities (RMs), here are some of the factors that we believe should be examined as the Bill is being reviewed:**



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of Rural Municipalities

- You cannot create, maintain and increase global food security while legislating and limiting the financial tools required to grow and produce food.
- The lenses used to evaluate any financial tool and determine any investment decision need to be well rounded, objective, and not politically motivated in any way.
- The Bill creates systemic harm to the agricultural industry, and there seems to be a lot of interpretation in what the roles, responsibilities and reach could be for RMs.
  - SARM believes that it is up to all industries and RMs to come up with solutions that encourage action to meet the challenges posed by climate change.
- This legislation is poised to restrict investments, and competitiveness at a national and international level.
- SARM, and its membership, wholeheartedly support efforts to reduce greenhouse gases, however, those efforts must be effective, and they must not disadvantage one region of Canada more than another.
- SARM is very concerned that the federal government does not appear to value agricultural carbon offsets that are retroactive, most of the farmers in our province will not qualify to sell in an offset market.
- SARM supports the position taken by Fertilizer Canada for the federal government to work with industry, and grain, farmers alike to recognize steps that have been taken, as well as workable solutions for the grain industry going forward.
- SARM urges members of the federal government to recognize and reward the world-class agricultural practices in Saskatchewan, and for the current environment practices already adopted by producers who are already among the most sustainable, technologically advanced, growers in the world.
- More emissions can be reduced through increased uptake of the 4R Nutrient Stewardship program while improving the competitiveness and profit of farmers.
- This bill creates a vulnerability in agriculture, 30% absolute emission reduction for a farmer with 1,000 acres of canola and 1,000 acres of wheat would have their profit reduced by \$38,000 to \$40,500 annually. For some this can be the difference between paying your bills and staying in business or leaving the industry.