

February 7, 2024

Tara Shannon
Assistant Deputy Minister
Environment and Climate Change Canada
351 St. Joseph Boulevard
Gatineau, QC K1A 0H3
via email: tara.shannon@ec.gc.ca

Dear Ms. Shannon:

Re: CAPP Comments on Canada's 2030 National Biodiversity Strategy Milestone Document

The Canadian Association of Petroleum Producers (CAPP) appreciates the opportunity to provide input to Environment and Climate Change Canada (ECCC) in the development of Canada's 2030 National Biodiversity Strategy (NBS) and specifically the Milestone Document released in December 2023. CAPP acknowledges Canada's vision to halt and reverse biodiversity loss in Canada and the efforts taken to date by ECCC to articulate plans for implementing the Kunming-Montreal Global Biodiversity Framework with the NBS. We recognize the importance of this Milestone Document in drafting the NBS, and we look forward to ongoing engagement with ECCC throughout this process.

CAPP's interest in providing comments on this Milestone Document is twofold; first, we believe our perspective provides important value to achievement of Canada's biodiversity targets as a sector that responsibly develops resources within the working landscape; and secondly, we value certainty and predictability in policy and process to enable investment in Canada's energy sector. In combination, our sector is well-positioned to help Canada achieve its aims for nature conservation, Indigenous reconciliation, energy security, and economic prosperity.

Our feedback on the Milestone Document is provided in two parts. First, we offer a reflection on CAPP's July 2023 submission on the draft NBS to reiterate our sector's solutions-oriented input and contributions to the country's biodiversity conservation. Next, we offer feedback on ECCC's preliminary achievement plans for NBS Targets that are specific and relevant to our sector.

1 CAPP Input to Canada's National Biodiversity Strategy

CAPP and its members view the development of Canada's NBS as an important step to enable Indigenous reconciliation while enhancing our ability to ensure the productivity, diversity and integrity of our natural systems and promote the conservation of biodiversity and the sustainable use of our biological resources. We appreciate the federal government's desire to hear from Canadians in crafting the NBS and welcome ongoing dialogue on measures and tools to advance conservation in Canada while maintaining a viable natural resource sector.

CAPP submitted comments to yourself on July 14, 2023, as part of ECCC's engagement on the draft NBS. While we understand the Milestone Document is non-exhaustive of all the actions being taken and to be taken across Canada to support achievement of the NBS Targets, we would like to reaffirm our earlier recommendations for consideration in the final NBS.

In summary, we strongly recommend ECCC consider four features within the final NBS:

1. **Recognition for Conservation Action:** The NBS should recognize and account for the full suite of contributions to national biodiversity conservation from actions taken by all Canadians and Canadian organizations.
2. **Incentivizing Action:** The NBS should enable, incentivize, and enhance action and cooperation amongst industry, land managers/governments, Indigenous communities, and conservation agencies.
3. **Prioritization and Coordination:** The NBS should enable coordinated and focused effort on biodiversity conservation in the areas, regions and/or species of highest priorities for Canadians.
4. **Collaboration and Cooperation:** The NBS should emphasize establishing new and enhancing existing partnerships within and between provinces and territories, Indigenous rights holders, and the private sector.

In developing the action plan for Canada to achieve its commitments under the Kunming-Montreal Global Biodiversity Framework, we recommend governments across the country consider the oil and gas sector as an important partner in conserving Canada's biodiversity. Our members have extensive experience in addressing biodiversity, reclaiming sites supporting land and marine conservation, and engaging with Indigenous People and other stakeholders. CAPP members pursue extensive programs to plan, design, operate and reclaim our facilities with targets to return landscapes aligned with NBS outcomes.

The appendix of our previous submission provides details of ongoing work that demonstrates our commitment to achieving biodiversity goals through collaborative processes that address integrated land management, multiple species management, and traditional values.

We appreciate that the Milestone Document recognizes the importance of restoration in achieving Canada's biodiversity objectives and targets. As submitted in July 2023, the oil and gas sector has extensive experience in recovering natural areas gained through:

- Undertaking progressive reclamation and increasing the number of species used to promote the return of biodiversity.
- Implementing mitigation strategies to avoid high value land features, minimize disturbance and to compensate for disturbed areas.
- Changing practices to minimize our linear footprint and to restore legacy disturbance.
- Support for landscape-level reclamation efforts to remove footprint over large areas and promote continuous undisturbed habitat in all regions of our operations, such as, prairies, mountains, and boreal forest.
- Collaborating with research partners to implement mitigation actions with emphasis on restoring high value habitat, threatened species and traditional values.
- Developing techniques to accelerate reclamation and to restore unique habitats such as returning functional peatlands.
- Developing processes for offshore natural gas and pipeline decommissioning to ensure development areas are expeditiously returned to pre-development state.
- Working with Indigenous People in the planning and implementation of reclamation and closure.

2 Target Implementation Plans

As reflected in the first section of this submission, CAPP members can meaningfully support the achievement of Canada's targets in the NBS. We have reviewed the ECCC's preliminary plans for achieving each of the NBS targets, as described in Annex 1 of the Milestone Document. We offer the following feedback and input to facilitate efficient and effective implementation of the NBS and targets, while also supporting a predictable and certain policy and regulatory system for oil and gas development in Canada. To serve the latter purpose, we emphasize the importance of our feedback regarding Targets 15(a), 18 and 19 provided later in this letter.

Target 1: Spatial planning and effective management

We agree with the challenges identified regarding spatial land use planning; however, we recommend the final NBS be explicitly clear about Canada's jurisdictional authorities (federal, provincial, territorial) over land use planning and establishing priorities within such processes. There may be land use priorities within federal and provincial jurisdictions that may include values not contemplated in the strategy.

Target 2: Ecosystem restoration

This target addresses the broader objective of halting and reversing biodiversity loss and turning toward recovery through the reclamation of degraded sites. As part of a working landscape, the oil and gas industry progressively reclaims industrial footprint and supports restoration of legacy sites, including orphan wells and seismic lines. In support of Target 2 achievement, we recommend that ECCC collaborate with other federal and provincial agencies, including Fisheries and Oceans Canada, to capture and account for all restoration activities taking place in Canada to recognize efforts required under regulation, and to avoid duplication of effort.

It is stated in the Milestone Document that restoration to counterbalance degradation as required under legislation would not count towards Target 2 achievement. Restoration is critical to the NBS' goal of halting and reversing biodiversity loss, and this exclusion may limit opportunities to achieve the target. We strongly recommend the government engage further on this Target, including definitions, scope, and mechanisms to meaningfully achieve it.

Target 3: Protected and conserved areas (30x30)

Linking back to CAPP's input from July 2023, we strongly recommend that Canada recognize and account for actions taken by provinces and territories to achieve biodiversity conservation, regardless of the specific legislative designation applied to the subject land. To this end, we are pleased that ECCC recognizes the importance of recognizing Other Effective Area-Based Conservation Measures (OECMs) in successful achievement of this target, in support of an ongoing vibrant natural resource sector founded upon working landscapes.

To avoid negative consequences to the natural resource sector, including sterilization of surface and sub-surface resources, we strongly recommend Canada undertake robust socioeconomic evaluation of any changes to land designations within Canada that are being considered for achievement of this Target, whether through OECMs, protected and conserved areas, or Indigenous Protected and Conserved Areas (IPCAs).

Target 8: Climate change and biodiversity

This target introduces the potential for nature-based solutions to minimize the impact of climate change. Reclamation and restoration programs that foster positive impacts to climate while preserving and promoting biodiversity align with many of the ongoing programs underway within the oil and gas industry, examples of which are included in our July 14, 2023 submission on the NBS. We recommend that Target 8 promote and encourage the positive outcomes of these initiatives and recognize the research programs that we are undertaking to explore pathways to minimize our impacts in a climate-changing world.

Target 14: Mainstreaming of biodiversity values

Through the strengthening of the biodiversity policies and legislation, we recommend this target consider mechanisms to incentivize actions to halt and reverse biodiversity loss. Such incentives would promote the restoration of degraded land and – combined with provincial and federal wetland policies – could provide a mechanism to address one of the priority areas noted in the NBS, the loss of prairie wetlands.

Canada's NBS implementation would be improved by advancing a formal recognition system for both voluntary actions taken to recover and/or conserve biodiversity, providing opportunities to bank efforts, and identifying lands suitable for voluntary investment and/or action in many regions. Further, as public and private organizations develop tools to enable fulsome consideration of biodiversity values within related policy and decision-making activities, CAPP recommends that ECCC engage our sector on how and when such tools may be introduced to allow for our sector's readiness.

Target 15(a): Business' role

This target addresses corporate disclosure frameworks intended to allow the investment community to differentiate environmental performance. CAPP notes the actions drafted for this Target reflect adherence to established global frameworks. CAPP respectfully requests that Canada not legislate a specific disclosure regime ahead of a globally acceptable standard and broad investment community adoption. Until that time, voluntary disclosures provide greater flexibility than a mandatory system that attempts to anticipate evolving international standards. CAPP refers Canada to the preamble of this letter for a summary of the many actions taken by the oil and gas sector to understand, minimize and report on biodiversity impacts to regulatory entities. CAPP requests to be engaged in Canada's approach to implementing any potential future biodiversity-related disclosure requirements.

Target 18: Negative and positive incentives

Positive incentives offer substantive opportunities for private sector investment and engagement in nature conservation. CAPP recommends focus on scaling up positive incentives, such as the Federal Abandonment and Reclamation Stimulus Program. Other incentives for promoting voluntary conservation efforts and banking for future disturbances would also assist our sector in reducing overall effects. Properly constructed incentives could also address the reduction of degraded sites in the prairies and Maritimes highlighted in the Milestone Document.

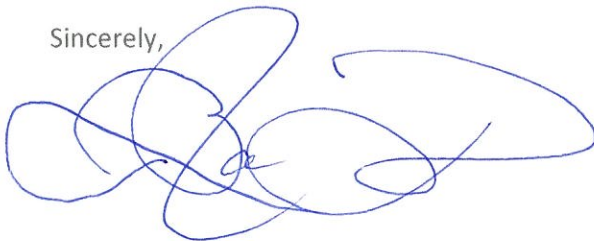
In considering 'negative incentives, we note that any changes made to the suite of fiscal incentives may have a negative impact on Canada's investment competitiveness. This may result in reducing Canada's competitiveness, economic development, energy security, and may ultimately result in a global net reduction in biodiversity.

Target 19: Resource mobilization – financial resources

We recommend greater clarity be provided in Target 19 for how mobilization of financial resources will be applied to incentivize retention and restoration of biodiversity. The oil and gas sector completes significant reclamation work under our operating permits and approvals, through provincial mandatory spend requirements and contributions to the orphan well programs, and, in some cases, providing security bonds for future reclamation work. Financial resources to improve restoration timelines, to reduce effects of legacy footprint in sensitive habitats, to promote partnerships and collaboration, and/or to incentive voluntary actions will be beneficial to the NBS goals. Should the NBS contemplate innovative financing schemes, we recommend thoughtful policy design through engagement with the private sector to ensure implementation is both efficient and effective and does not inadvertently increase operating costs, which may reduce available financial resources to advance voluntary conservation or restoration programs.

We thank ECCC for the opportunity to provide input to this important Milestone Document as the NBS continues to be developed. CAPP's members are focused on advancing practices that reduce impacts to biodiversity, avoid high value ecosystems, and restore and reclaim footprint, and on opportunities, such as Nature-Based Solutions, to achieve resilient ecosystems that will adapt within a changing climate. We look forward to more engagement with you on the development of the NBS and other initiatives to advance biodiversity conservation in Canada. If you have any questions or wish to discuss this further, please contact Krista Phillips, CAPP's Manager for Land and Biodiversity at (403) 267-1135 or krista.phillips@capp.ca.

Sincerely,



Lisa Baiton
President and CEO
Canadian Association of Petroleum Producers

Cc:

Alexandra Dostal, Assistant Deputy Minister, Fisheries and Oceans Canada
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