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HUMAN
RIGHTS
WATCH

HRW.org

March 29, 2021

Ms. Mairead Lavery
President and Chief Executive Officer
Export Development Canada

Cc: Martine Irman, Chair, Board of Directors, Export Development Canada;
Mary Ng, Minister of Small Business, Export Promotion and International
Trade

Sent via email: MLavery@edc.ca; MIrman@edc.ca; Mary.Ng@parl.gc.ca;
Mary.Ng.A1@parl.gc.ca

Dear Ms. Lavery,

We are writing on behalf of Human Rights Watch – an independent human rights organization conducting research and advocacy in 100 countries worldwide – to request information about Export Development Canada (EDC)'s support for fossil fuel companies and how EDC is working to address potential human rights implications related to this support.

Human Rights Watch released a [report](#) in 2020 that documents how climate change is already taking a toll on human rights in Canada: reducing First Nations' traditional food sources, driving up the cost of imported alternatives, and contributing to a growing problem of food insecurity and related negative health impacts. With Canada warming at more than twice the global rate, these impacts are projected to worsen.¹

This research, conducted from 2018-2020, is based on more than 120 interviews with First Nations members in Yukon, northwestern British Columbia, and northern Ontario, as well as with medical providers, educators, and environment and health experts. Human Rights Watch also reviewed academic research and peer-reviewed scientific studies documenting and projecting the impact of climate change in the areas studied, and contacted federal, provincial, and territorial government officials about the issues. Human Rights Watch found that the Canadian government is not adequately supporting First Nations' efforts to adapt to the mounting crisis and is failing to do its part to reduce the global greenhouse gas emissions that are driving it.

In line with its international human rights obligations to prevent foreseeable harms from climate change, Canada should refrain from entrenching fossil fuel dependence and promoting further fossil fuel development through the use of subsidies and other forms of financial support for fossil fuel companies. As a crown corporation, EDC has a key role to play in these efforts.

¹ Human Rights Watch, My Fear is Losing Everything: The Climate Crisis and First Nations' Right to Food in Canada, October 21, 2020, <https://www.hrw.org/news/2020/10/21/canada-climate-crisis-toll-first-nations-food-supply> (accessed March 22, 2021).

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While EDC has affirmed its commitment to “taking action on climate change” and supporting the Government of Canada’s commitments under the Paris Agreement, EDC remains the largest public financier of oil and gas among G20 export credit agencies.²

With EDC’s current climate target – to reduce the carbon intensity of its financing portfolio by 15 percent over five years – Canada lags far behind international counterparts who are taking strides to end fossil fuel finance. The UK has led the way in committing to end public financing for fossil fuel projects overseas by November 2021, and the US and EU have quickly followed suit.³

Given Prime Minister Trudeau’s recent commitment, alongside US President Biden, to work with public financial institutions to align financial flows with climate goals, we look forward to hearing how EDC plans to build on its 2019 climate policy to meaningfully address Canada’s human rights obligation to prevent foreseeable harms from climate change.⁴ To this end, your written response to the attached questions before April 12th would be greatly appreciated.

We would also welcome the opportunity to speak with you or other EDC representatives. Please let us know if you have any questions or would like to arrange a meeting. Thank you for your attention to this urgent matter.

Sincerely,



Daniel Wilkinson
Environment Director



Farida Deif
Canada Director

² EDC Climate Change Policy Public Response Paper: Summary of Stakeholder Feedback and EDC Response, January 2019, p. 4, https://www.edc.ca/content/dam/edc/en/non-premium/edc_11113466_climate_broch_en_v6_final.pdf (accessed March 22, 2021); Oil Change International and Friends of the Earth United States, Still Digging: G20 Governments Continue to Finance the Climate Crisis, May 2020, p. 18, <http://priceofoil.org/2020/05/27/g20-still-digging/> (accessed March 22, 2021).

³ Jess Shankleman, “U.K. Is First in G-20 to End All Overseas Oil and Gas Funding,” Bloomberg, December 11, 2020, <https://www.bloomberg.com/news/articles/2020-12-11/u-k-is-first-in-g-20-to-end-all-overseas-oil-and-gas-funding> (accessed March 22, 2021); Oil Change International, “EU foreign ministers commit to push for end to fossil fuel subsidies and finance; pressure builds on United States to follow suit,” January 25, 2021, <http://priceofoil.org/2021/01/25/eu-ministers-fossil-finance-pressure-builds-united-states/> (accessed March 22, 2021); Megan Rowling, “US to end overseas fossil-fuel funding as rich world urged to boost climate finance,” Reuters, January 27, 2021, <https://www.reuters.com/article/us-climate-change-finance-usa-trfn-idUSKBN29W2V1> (accessed March 22, 2021); Julia Levin, Environmental Defence, “US, UK and EU leadership pressures Canada to end fossil finance,” February 4, 2021, <https://environmentaldefence.ca/2021/02/04/us-uk-eu-leadership-pressures-canada-end-fossil-finance/> (accessed March 22, 2021).

⁴ Prime Minister of Canada, Justin Trudeau, Roadmap for a Renewed U.S.-Canada Partnership, February 23, 2021, <https://pm.gc.ca/en/news/statements/2021/02/23/roadmap-renewed-us-canada-partnership> (accessed March 22, 2021).

Questions for Export Development Canada

1. Can you share any relevant EDC policies or documents related to human rights and climate change beyond EDC's Human Rights Policy, Climate Change Policy and Due Diligence Framework, Environmental and Social Risk Management Policy and Guideline, Environmental and Social Review Directive, and Transparency and Disclosure Policy?
2. How does EDC identify and assess human rights and climate risks in project and non-project financing?
3. In deciding whether to provide financial support, how does EDC weigh or balance a company's proposed mitigation plans against the severity of identified risks?
4. How is EDC monitoring the human rights impacts of support it provides to the oil and gas sector? Does EDC consider scope 3 emissions as part of this process? If not, why?
5. How does EDC determine when project or non-project finance qualifies as "Mining," "Utilities & Alternative & Renewable Energy," or some other sector category as opposed to "Oil & Gas" support when the company in question is an oil and gas sector company? Does EDC use a formula to make such determinations? If so, could you share said formula?
6. Does EDC have a grievance mechanism for communities or individuals potentially impacted by EDC-backed business activity? If so, can you please share related documents, or links for accessing the grievance mechanism? Has EDC received complaints raising concerns about the local or global human rights impacts of EDC's support for fossil fuel-related business?
7. Does EDC engage in direct outreach to oil and gas sector companies to solicit new partnerships? If so, how?
8. Does EDC have or intend to adopt a policy setting sector-specific carbon caps for its financing portfolio? If not, why?
9. Does EDC have or intend to adopt a policy restricting financial support for oil and gas exploration or production in line with Prime Minister Trudeau's recent [commitment](#)? If not, how does EDC reconcile this gap with its commitment to taking action on climate change?
10. In the absence of a policy restricting financial support for oil and gas, what specific measures are being taken to address the considerable risks associated with projects that employ hydraulic fracturing or "fracking"?
11. Can you provide further details on the nature of oil and gas sector activities outside of North America currently receiving financial support from EDC?
12. Does EDC engage in efforts to support development of renewable energy overseas and in Canada? If so, please elaborate.