



July 29, 2022

Mairead Lavery
President and Chief Executive Officer
Export Development Canada

cc:

Martine Irman, Chair of the Board of Directors, Export Development Canada
Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development

Dear Mairead Lavery,

I am writing to seek clarification regarding recent comments you made before parliamentarians with respect to EDC's support for the fossil fuel sector.

I will preface my queries by emphasizing once again that EDC's ongoing support for the fossil fuel industry, both in Canada and overseas, is incompatible with Canada's climate and human rights obligations. On this subject, I call your attention to a joint opinion piece Above Ground and Amnesty International Canada published in [The Hill Times](#) and [Le Devoir](#), in which we outline the global human rights impacts of EDC's support for the Canadian oil and gas sector. As we note, the most recent data released by Environment Canada indicates that Canada's oil and gas exports in 2019 generated a staggering 954 megatonnes of CO2 equivalent — more than Canada's total national emissions that year. These figures highlight how it makes little sense to distinguish between international and domestic support for oil and gas, as the human and environmental impacts of burning fossil fuels know no borders.

In your [testimony](#) of April 26, 2022 before the Standing Committee on Environment and Sustainable Development (ENVI), you affirmed that EDC is “absolutely exiting any new financing for international [fossil fuel] companies and their projects by the end of 2022.” We wish to know:

1. Does EDC's definition of “international” companies include Canadian companies operating abroad — such as Calgary-based Parex Resources, a repeat client of EDC for its operations in Colombia?
2. Does EDC foresee any exceptions to its policy that would allow it to continue supporting gas projects? If so, under what circumstances and conditions? Canadian civil society groups recently expressed [grave concerns](#) after G7 countries, including Canada, appeared to backtrack on prior commitments made in the Glasgow Statement by opening the door to investments in gas expansion. The UN's latest Production Gap report finds that countries already plan to produce [71%](#)

[more gas](#) in 2030 than is consistent with a 1.5°C warming scenario. Furthermore, research shows that new gas infrastructure is not necessary to meet energy needs either [in developing countries](#) or to replace Russian gas supply [in Europe](#), and that renewable alternatives – which avoid locking in high-carbon pathways – are both available and in need of much stronger public support.

3. Does EDC foresee any exceptions to its policy that would allow it to support companies that utilize carbon capture technology? If so, what are the criteria and process for companies to qualify for this exception? Hundreds of Canadian climate scientists and academics have warned that carbon capture methods “are being used to boost oil production, and have therefore [resulted in increased emissions](#).” How would EDC ensure this support does not result in a net increase in global emissions?
4. Does the exclusion of “new” financing mean that EDC will exclude renewals of existing support agreements?

Regarding EDC’s support for “clean tech”: in the same testimony, you stated, “Over the last 10 years, we have facilitated approximately \$20 billion in clean-tech exports.” You also acknowledged that EDC has “quite a broad definition of clean technology.” This raises questions around the degree to which this support is consistent with Canada’s obligations under the Paris Agreement to pursue efforts to limit planetary warming to 1.5°C above pre-industrial levels. We wish to know:

5. What are the criteria and process for EDC’s classification of a company or project as “clean tech”? Is support approved and/or prioritized based on its potential to help reduce global emissions?
6. Are fossil fuel companies eligible for such a classification? If so, has EDC determined that this support contributes to the international obligations referenced above? If so, on what basis has this determination been made, and did it account for the lifecycle emissions of the clients’ products? If not, how does EDC justify this classification?
7. Can EDC provide us with the complete list of transactions that it has deemed “clean tech” over the last 10 years?

I look forward to your responses.

Sincerely,



Karen Hamilton
Director
Above Ground (a project of MakeWay)