



Written response by Shell Canada Limited to Environment and Climate Change Canada’s discussion paper *Facilitating Projects on Crown and Public Land in Canada’s Greenhouse Gas Offset Credit System*

November 11, 2024

Response by e-mail to: creditscompensatoires-offsets@ec.gc.ca

Shell Canada Limited (Shell¹) appreciates the opportunity to comment on Environment and Climate Change Canada’s (ECCC) discussion paper titled *Facilitating Projects on Crown and Public Land in Canada’s Greenhouse Gas Offset Credit System*, published July 18, 2024.

Shell supports a key role for Indigenous Peoples in implementing nature-based solutions projects in Canada. Their full participation can ensure Indigenous communities benefit from the long-term funding opportunities that come from carbon offset projects and can inform the design of better projects. We encourage ECCC to continue its consultation and capacity building efforts with Indigenous communities in order to encourage Indigenous-led projects.

Recognizing and upholding Indigenous rights

Shell acknowledges that Indigenous Peoples in Canada have constitutionally-recognized and protected Aboriginal and treaty rights and should be consulted on proposed offset projects within their traditional territory.

The use of systems such as the Aboriginal and Treaty Rights Information System or other software can help inform proponents’ decision-making on Indigenous consultation. Shell supports that for projects within a single province’s jurisdiction, use of a 150 km circumference is generally a robust approach to identify Indigenous nations or communities.

We support the principle that Indigenous communities are best placed to define what is acceptable and that their consent should be adequate. Documents such as a band council resolution, Memorandum of Understanding (MOU), letter of support from leadership, or benefit sharing agreement should be deemed acceptable forms of consent. ECCC could require

¹ The Shell definition: The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this submission “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. Please read the full Legal Disclaimer at: <https://www.shell.com/energy-and-innovation/the-energy-future/our-climate-target.html>



proponents to provide a letter signed by elected Indigenous leadership attesting to their support for the project and referencing the existence of an acceptable form of formalized consent (i.e. band council resolution, MOU, letter of support or benefit sharing agreement).

In instances where an Indigenous community is the project proponent, we believe consent should be assumed, recognizing that nations are best placed to identify their own governance structures and requirements to secure community support.

Demonstrating entitlement for offset credits issued on Crown and public land

Shell supports the principle that exclusive entitlement must be demonstrated to avoid double-counting of GHG reductions from projects and to ensure offset credits have high integrity.

We support the proposal that project proponents could form agreements with governments on a project-by-project basis where a province or territory does not have a policy framework in place to grant entitlement to credits. Allowing proponents to proceed with a project if the activity has been authorized by government in an approved land management plan would allow for project investments while governments work through the process of establishing a policy to grant entitlement to offset credits.

Shell encourages ECCC to play an active role in working with provinces and territories to encourage and help build capacity for formalized approaches to grant carbon rights that are clear and transparent for project proponents.

In instances where obtaining entitlement from a province or territory to claim credits is not feasible in the near-term, ECCC could require project proponents to provide a declaration stating that offset credits are not being claimed elsewhere for the same project. Given that the proposed federal Improved Forest Management protocol on public lands will only be eligible for use in jurisdictions without a similar protocol, there is no risk of double crediting within compliance offset systems.

Closing

Canada's crown and public lands represent a significant opportunity for offset credit generation, and we were pleased to see development begin on the proposed Improved Forest Management on Public Lands protocol. We encourage ECCC to enable future nature-based protocols on crown or public lands to allow for their wider use.