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## Conservation Ontario Council Report

From: Jo-Anne Rzadki, Conservation Ontario  
Date: April 5, 2018  
Subject: Policy Proposal Notice: Developing a Voluntary Carbon Offset Program For Ontario (EBR # 013- 1634).

### Summary

The Environmental Bill of Rights posting #013-1634 states that the purpose of the voluntary carbon offsets program is to develop a separate, quality, branded, class of offsets that the Ontario government, the private sector and others can use to reduce both their carbon and ecological footprint. The Discussion Paper posted for review was intended to start a conversation with Ontarians about the development of the proposed voluntary carbon offsets program. Conservation Ontario staff coordinated a comment letter for endorsement.

### Recommendation

***THAT Conservation Ontario Council endorses the CO letter on Policy Proposal Notice: Developing a Voluntary Carbon Offset Program for Ontario (EBR # 013-1634)***

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### Background:

The Ministry of the Environment and Climate Change (MOECC) posted a Policy Proposal Notice titled *Developing a Voluntary Carbon Offsets Program for Ontario (013-1634)* to the Environmental Registry for public review and comment (see link below). Please see the December 2017, Business Development and Partnerships report for previous activity on this Proposal notice.

The EBR stated that the purpose of the voluntary carbon offsets program is to develop a separate, quality, branded, class of offsets that the Ontario government, the private sector and others can use to reduce both their carbon and ecological footprint. The Discussion Paper posted for review was intended to start a conversation with Ontarians about the development of the proposed voluntary carbon offsets program.

The proposed voluntary carbon offsets program is separate and distinct from the proposed compliance offsets program and capped emitters will not be able to use voluntary carbon offset credits to meet their compliance obligations under the cap and trade program. The regulatory decision regarding the Ontario Offset Credits regulation under the Climate Change Mitigation and Low-carbon Economy Act,

2016 was posted in December 2017 (see link below). Under the proposed voluntary carbon offsets program, offset projects that wish to be issued voluntary carbon offset credits would be undertaken in accordance with a GHG quantification protocol approved by Ontario.

### **Current Status**

Conservation Ontario staff coordinated written and verbal comments received from Toronto Region, Maitland Valley, Grand River, Ausable -Bayfield CAs, Conservation Halton and Credit Valley Conservation for the development of the attached letter.

Some highlights of comments included supporting:

- The notion of an ecosystem-focused voluntary offset program that would provide additional financial incentives for the conservation, and restoration of natural systems and agricultural lands that sequester carbon. CAs are actively involved in protecting and enhancing greenspace in their watersheds and have considerable technical expertise in both the rural and urban context, that can support the Province's and Ministry's efforts to develop a voluntary carbon offsets program that might bring in additional capital from public and private sector organizations.
- Baselines to be established that align with and build on existing voluntary programs and previous habitat restoration programs, in addition to building on current community-based offset programs
- That the voluntary carbon offset program is science-based in its approach to ensure ecological diversity and integrity.
- Inclusion of sequestration by wetlands is included in the eligible activities. Conservation Ontario is pleased that the Government's "Wetland Conservation Strategy" included an action to work with partners to monitor and assess carbon sequestration in wetlands.
- Consideration of how the voluntary carbon offset program may align and support land securement initiatives of organizations such as conservation authorities and land trusts and contribute to longevity and management of offset projects.
- Consideration of how the voluntary carbon offset program may align with current and future conservation land tax incentive programs

Furthermore the CO letter recommended this program should support, where appropriate, the implementation of existing ecosystem-related and/or watershed plans and strategies developed by municipalities and conservation authorities which respond to local needs/priorities. For example, existing urban and rural forest strategies and natural heritage plans could perhaps be supported with additional capital from the voluntary offset market.

Environmental co-benefits of voluntary offsetting could be prioritized by region, area or watershed. In some watersheds, nutrient loading is an incredibly valuable co-benefit (i.e. Lake Simcoe watershed and Lake Erie basin). Also in those watersheds and many others, flood risk mitigation may have additional and potentially more value. Other co-benefits could include human health and well-being, green infrastructure, behavioral shifts in population towards conservation practices, and climate change resilience should be more explicitly accounted for as co-benefits.

A number of examples of existing CA programs in support of voluntary offsetting were provided as examples of the CA ability to partner with the Province.

## **Conclusion**

Conservation Ontario and conservation authorities have expressed an interest in participating in the technical working groups to leverage scientific and technical expertise towards the development of a Voluntary Carbon Offset program for Ontario. This is in addition to offering our experience in developing and partnering to deliver provincial and local programs/ projects that will be captured through the proposed program. Updates and opportunities to engage will be provided when available.

## **Additional Resources (for information only, not required for printing)**

*["Developing a Voluntary Carbon Offsets Program for Ontario" \(EBR #013-1634\)](#)*

*[Discussion Paper pdf](#)*

*[Regulation Decision: Ontario Offset Credits regulation under the Climate Change Mitigation and Low-carbon Economy Act, 2016 \(EBR# 013-1460\)](#)*



January 15, 2018

**By email**

Vidya Anderson  
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**Re: Policy Proposal Notice: Developing a Voluntary Carbon Offset Program For Ontario (EBR # 013-1634).**

Dear Ms. Anderson:

Thank you for the opportunity to comment on the Ministry of Environment and Climate Change's "Voluntary Carbon Offsets Program" discussion paper.

Conservation Ontario (CO) represent Ontario's 36 Conservation Authorities (CAs), which are local watershed management agencies that deliver services and programs to protect and manage water and other natural resources in partnership with government, landowners, and other organizations. CO and CAs promote an integrated watershed management approach balancing human, environmental and economic needs and acknowledge the importance of reducing GHG emissions to combat climate change, for sustainable growth and to protect, maintain and restore the health of our watersheds.

Conservation Authorities across Ontario have a number of responsibilities related to natural heritage protection management and restoration. CAs protect and manage approximately 478,000 hectares of conservation land and assist their municipalities in fulfilling their responsibilities associated with natural heritage, water resources and natural hazard management under the "Planning Act and Environmental Assessment Act" processes. Conservation Ontario and CA members have an interest in the development of the voluntary

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carbon offset program given our collective role as a major land owner in the Province, and as service providers and resource management agencies supporting implementation of municipal urban and rural forest and natural heritage plans and strategies and as delivery agents for municipal rural water quality programs. Portions of CA lands are also used for agricultural production, and many CAs deliver tree planting (close to 2.3 million trees in 2016), and the rural water quality programs include establishment and management of woodlands, wetlands, grasslands and riparian areas with agricultural producers. As such we are also supportive of opportunities for agricultural sector involvement in the future voluntary carbon offset market, provided that offset projects meet high quality standards.

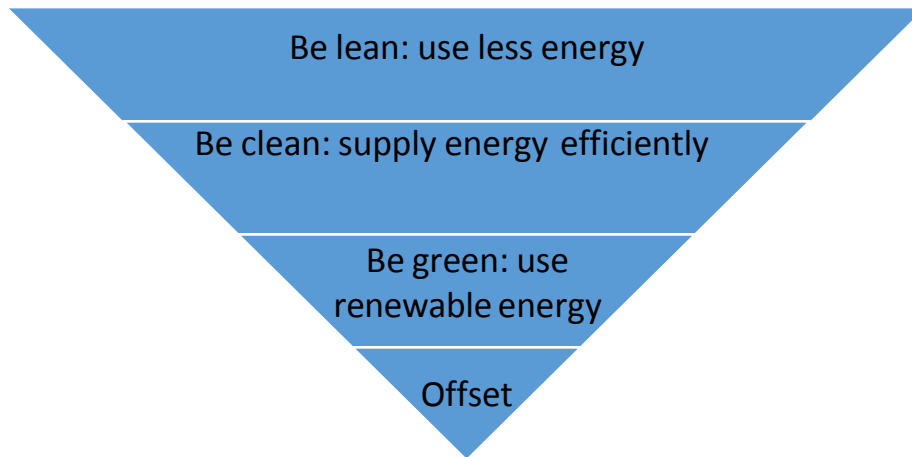
Conservation Ontario staff appreciate the invitation and participated in the November 8<sup>th</sup>, 2017 webinar introducing the proposed voluntary carbon offset program, and have reviewed the discussion paper posted on the Environmental Registry (EBR # 013-1634).

The following comments are submitted for your consideration based upon a review by CAs. They are organized as general comments, and as responses to the questions posed in the Discussion paper. These comments are not intended to limit consideration of comments shared individually by CAs.

### **General Comments**

Conservation Ontario supports the Provincial Government's commitment to demonstrate climate leadership by committing to move towards carbon neutrality, which was articulated in the "Climate Change Action Plan" (2016). Reducing greenhouse gas emissions is one of the most critically important responses to climate change. Setting a bold aspiration to achieve carbon neutrality for Ontario Government operations sets the bar for other public and private sector organizations to follow.

Carbon offsetting is a critical element of any organizational effort to achieve carbon neutrality, and typically is situated as part of a "carbon reduction hierarchy" in terms of priority actions (see figure 1 below). From a cost-effective carbon management perspective, the starting point for efforts to be carbon neutral is efficiency and conservation, followed by shifting to low carbon sources of energy in buildings and vehicle fleets. Finally, an offsetting program can be effective at mitigating any remaining emissions. It would be helpful to see a clearer articulation of the broader long-term strategy for achieving carbon neutrality that the government committed to in the 2016 "Climate Change Action Plan", and the role the proposed voluntary carbon offset program will play relative to other measures.



**Figure 1 Carbon reduction hierarchy, source: Adapted from Greater London Authority**

Conservation Ontario supports the notion of an ecosystem-focused voluntary offset program that would provide additional financial incentives for the conservation, and restoration of natural systems and agricultural lands that sequester carbon. CAs are actively involved in protecting and enhancing greenspace in their watersheds and have considerable technical expertise in both the rural and urban context, that can support the Province’s and Ministry’s efforts to develop a voluntary carbon offsets program that might bring in additional capital from public and private sector organizations.

It should be noted that southern Ontario, including the urban context presents particular challenges from a carbon sequestration perspective, such as fragmented natural landscapes and lower tree survival rates. However, co-benefits can be significant, and as a result we support the Ministry’s inclusion of co-benefits as part of the proposed program.

Conservation Ontario is interested in working with the Ministry to develop approaches to overcome challenges like the development of a project aggregation mechanism that would put together geographically and/or temporally dispersed activities that reduce emissions in a similar manner to streamline the process of qualifying and quantifying emissions offsets. CO and CAs, working with municipal and other partners could collectively and actively work towards in aggregating projects across the Province and jurisdictions. This would result in development and implementation of viable projects that would otherwise be too small to be cost effective participants in the voluntary market, and supporting collaborative provincial or regional approaches to land-based carbon sequestration across Ontario.

In Feb 2017 Conservation Ontario, Forests Ontario and Ducks Unlimited Canada organized a workshop for various provincial stakeholders including agriculture and environmental NGOs and CAs to build an understanding of the carbon offset market and to manage expectations. At that time our organizations proposed further discussions with the Minister of Environment and

Climate Change to collaborate in the development and implementation of regulatory and voluntary Carbon Offset programs. This group of stakeholders could assemble again towards development of this proposed program.

## **Responses to Consultation Questions**

### **1. Are there additional priorities related to the development of the proposed voluntary carbon offsets program that have not been considered in this document?**

Mainstreaming of carbon neutrality strategies across the broader public sector, and private sector, is a priority. It would be desirable for the Government of Ontario to clearly lay out its broader long-term strategy for achieving carbon neutrality beyond this offset program, in order to provide a blueprint for others in the public and private sector to follow. With a long-term strategy in place, the development of a voluntary offset program as a tactical tool to achieve stated objectives follows logically.

Another priority is the development of a land use carbon inventory, which the government committed to in the 2016 Climate Change Action Plan. Critical to this work is a locally relevant scientific understanding of carbon sequestration rates in Ontario ecosystems, including both urban and rural settlements where tree growth and survival rates are known to differ. Some conservation authorities (eg. Lake Simcoe Region Conservation Authority) have initiated projects to undertake land use carbon inventories of forested lands in their watersheds. Conservation Ontario would be interested in partnering with the Province to facilitate knowledge and technical transfer in addition to resources for CAs and others to support the development of the Province's land use carbon inventory. This is a critical prerequisite to the launch of a voluntary carbon offset program, as it will help ensure credible offset projects and support the validity of claims made by buyers in the voluntary market.

We also support in principle the priority placed on ecosystem based carbon offsets. Clean tech, and other energy related offset project types (e.g. efficiency and renewables) are already incentivized through cap-and-trade itself, and so should not be the focus on this voluntary offsets program.

Also critical to the establishment of a successful voluntary carbon offset program Conservation Ontario recommends the Province consider the following:

- Consider the interest and barriers or incentives to participation by different audiences in this program. Conservation Ontario agrees the Province should be considering barriers to participation in the carbon market and the voluntary carbon offset program (see response to Question 3). One of the first steps in developing the program would be to determine what the barriers are to the participation of non-government businesses and individuals. A clear understanding of the target audiences and the availability of land is necessary for the program to succeed.

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- As a result, the development of a community based social marketing strategy for outreach and promotion to businesses, citizens and in engaging indigenous communities will be required. In addition to developing a current understanding of the opportunities and barriers (Question 3), the province can draw on previous studies of the potential for carbon sequestration on private lands. For example: [The Carbon Sequestration Potential from Afforestation in Ontario](#) and Credit Valley Conservation(CVC) and South Nation Conservation (SNC) participated in a study that contributed to a Ministry of Natural Resources and Forestry report entitled [Carbon offsets from afforestation and the potential for Landowner Participation in Ontario](#).
- Establish baselines that align with and build on existing voluntary programs and previous habitat restoration programs, in addition to building on current community-based offset programs (see below)
- Ensure that there is clarity around additionality and accounting for projects that may have multiple benefits, like water quality and quantity, species at risk and biodiversity to avoid double counting.
- Ensure that the voluntary carbon offset program is science-based in its approach to ensure ecological diversity and integrity.
- Ensure that sequestration by wetlands is included in the eligible activities. Conservation Ontario is pleased that the Government's "Wetland Conservation Strategy" included an action to work with partners to monitor and assess carbon sequestration in wetlands.
- A specific suggestion would be to distinguish between ecosystem functions (e.g., enhanced biodiversity) and services/benefits to people (e.g., enhance recreational opportunities or protection of their life and property from floods). A beneficiary analysis will be required to ensure we are not lumping together incompatible benefits, i.e. those happening at different scale (site-specific vs. global).
- Consider how the voluntary carbon offset program may align and support land securement initiatives of organizations such as conservation authorities and land trusts and contribute to longevity and management of offset projects.
- Consider how the voluntary carbon offset program may align with current and future conservation land tax incentive programs.

It is a high priority that projects developed under the Ontario voluntary offset program meet the same basic set of criteria that are internationally recognized as critical elements of high quality carbon offset projects, namely: real, additional, permanent, verifiable, and enforceable. We recognize that protocols will be developed to provide the criteria and



framework for developing particular project types. It is a priority for these basic criteria to be included in all protocols under the voluntary program to ensure trust and credibility in the market.

**2. *In addition to the five program objectives listed in this discussion paper (see “Getting There”), are there other objectives that you think the Ministry should consider?***

This program should support, where appropriate, the implementation of existing ecosystem-related and/or watershed plans and strategies developed by municipalities and conservation authorities which respond to local needs/priorities. For example, existing urban and rural forest strategies and natural heritage plans could perhaps be supported with additional capital from the voluntary offset market. The key would be to develop mechanisms to ensure additionality in offset market investment beyond the financial resources that have already been committed to the implementation of such plans.

Although adaptation (versus mitigation) is implied in relation to the Co-benefit and Resilient Community objectives, adaptation and reducing the vulnerability of our communities and natural systems to anticipated climate change impacts and stressors could be more strongly stated. This could occur either more explicitly in the program objectives or in the identification of Co-benefits. Recognition of “climate adaptation champions” could also be incorporated in this program to profile the co-benefits.

**3. *Are there specific barriers to participation in the carbon market that the Ministry should consider when developing the proposed Ontario voluntary carbon offsets program?***

Further to Conservation Ontario’s response to Question 1 a lack of awareness and literacy surrounding carbon offsets and carbon markets may hinder uptake of a voluntary carbon offset program amongst potential participating organizations, as well as prospective project developers, landowners, and private sector. Transparency around offset protocols, and communications, outreach and engagement around the Ontario government’s overall strategy for achieving carbon neutrality, is necessary to build the market of both buyers and sellers.

Another key barrier for these target audiences may be simply lack of incentive for them to participate in the program if there is no financial gain to be had. A sense of corporate or personal responsibility in relation to climate change will be an important precursor to participation for these groups.

Related to the above, a lack of trust and credibility in carbon neutrality statements, and carbon offsets in particular is a barrier to uptake. See for example the [analysis conducted by the BC Auditor General in 2013](#), which indicated that projects developed to support the BC government’s carbon neutrality commitment did not sequester emissions additional to what would have happened in the absence of the market. Market design and use of stringent offset protocols in the voluntary market would help alleviate such concerns, as

would an active communications campaign to raise public awareness of the government's approach to achieving carbon neutrality.

The average price per tonne of carbon in the Canadian voluntary offset market space ([\\$7.7/tonne in 2016](#)) is likely too low to support the development of urban forest or other smaller scale ecosystem based project types. One way to address this barrier is to consider a price floor for the voluntary market that incentivizes projects with higher capital and operating costs, but which also provide higher co-benefits (e.g. ecosystem connectivity, flood risk attenuation, etc.).

Related to the above paragraphs, the costs associated with quantification, verification, and ongoing monitoring of carbon offset projects can be a barrier to participation in the market, particularly from smaller scale projects where such transaction costs can make projects financially unviable. The Province/Ministry should consider approaches which could mitigate this risk, such as allowing for aggregation of smaller scale offset projects of a similar nature into a larger project which would provide economies of scale and reduce per unit costs associated with quantification, verification and monitoring.

CO and CA experience in the design and delivery of voluntary best management programs for agricultural producers has observed and demonstrated that the guidelines and expectations must be clear and that on the ground support is key to ensuring that the projects implemented will achieve the goals. CO, CAs and their local municipal partners are already well positioned and could be important partners in facilitating project aggregation on a watershed basis and at regional scales. A localized accredited team could represent several conservation authorities, partners and municipalities to support the program planning, outreach to landowners for marketing and property aggregation, tracking and reporting.

Nevertheless, aggregation with a number of different private landowners will be challenging. Long term security (i.e. permanency), while critical, will be problematic if landowners are required to commit to 100 years. Flexibility in both cases is encouraged in order to address these potential private landowner barriers to participation. Should the Province explore provision of shorter term voluntary offset projects, if the project is functioning and still in place at the end of the term, the offset could be renewed or the project could be offered in the market if the original purchaser no longer required the offset.

Most CAs, rely on member municipalities to fund their programs. CA involvement in the Voluntary Carbon Offset Program will require municipal discussion and approval and would likely require some assistance from the Province. While a voluntary carbon offset program will generate funds from the sale of carbon offsets, it is anticipated that start-up funds will be required in addition to some measure of ongoing financial support. It has been suggested the funds generated will likely not cover the cost of program administration unless the quantification and verification process is simple.

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### **Additionality**

While Conservation Ontario understands the intent of the program to continuously add to the carbon sequestration activities, the land belonging to conservation authorities is already protected land where these activities would be promoted. Requirements associated with the current use of the land could be more flexible so as to promote the involvement of the CA. The Province is encouraged to consider allowing currently undeveloped protected land to qualify for an enhanced quality of carbon sequestration where appropriate (e.g. converting grasslands to forest). The value of the activity could potentially be weighted. The Province is also encouraged to consider the potential for a higher sale price per tonne to promote sequestration efforts in areas with a 'heavier' carbon footprint (to offset high priced developable lands). The inclusion of co-benefits is meant to address this to some extent. That is ecosystem services are more valuable where they are in high demand (eg. in highly populated urbanized areas). Also land and offset project management and time-lag (in carbon capture) are going to be significant factors to the cost of credits and the availability of offsets for purchase.

Finally, land will be the limiting factor in supporting voluntary offsets in regions like the Greater Toronto Area. Land costs and demand are very high. Municipal and CA staff have indicated that existing municipal parks and conservation areas are almost at capacity for naturalization. Naturalization competes with other park activities and stakeholders. Securement of additional lands is going to be necessary to support voluntary offsetting. Therefore the voluntary carbon offset program should consider including financial support for land securement and/or align with/complement existing land securement programs.

#### ***4. What is the best way for the Ministry to facilitate community participation in the proposed Ontario voluntary carbon offsets program?***

Conservation Ontario recommends that the Ministry strengthen partnerships with local organizations who already have experience with the projects that are being encouraged through the proposed voluntary carbon offset program. Conservation authorities are community-based organizations with a very successful track record in habitat restoration projects and environmental, land use and watershed planning. CAs have existing strong relationships with regional and local municipalities, landowners, Non-Government Organizations (NGOs), school boards, businesses and consultants, and we conduct restoration projects on both public and private lands, including agricultural lands.

Conservation Ontario commends the Province for proposing the establishment of science and technical working groups and encourages the establishment of a program development working group. Conservation Ontario is interested in participating to provide input in developing procedures, monitoring protocols. We are also interested in providing input that helps consider transparency and alignment with existing and future initiatives that provide the co-benefits being promoted through the voluntary carbon offset program. Guidelines should be easy to interpret and use, and resources for the necessary technical support for program implementation should be provided to foster participation.

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It will be important to ensure that standards and protocols align with participant's business practices and interests. For example, if municipalities are likely participants (both as creators or purchasers), alignment of the offset program with climate change strategies, asset management approaches, and environmental and land use planning, will help to identify opportunities for participation. As previously noted watershed and subwatershed studies and plans, often identify potential priorities for habitat restoration, tree planting, riparian buffer, and storm water or green infrastructure projects and others that could become offset projects and produce the desired co-benefits.

The Province could also set a maximum amount that it will purchase from a given project, which would avoid a situation where large-scale, low-cost projects contribute disproportionately to the offset market pool. This situation occurred in BC, where two projects were responsible for more than 70% of the offsets purchased by the BC government to meet its carbon neutrality commitment.

Another approach to facilitating community participation would be to implement an added price for projects that can demonstrate community-based ownership and/or management. Such an approach was used successfully in the Ministry of Energy's Feed-in-Tariff program to procure renewable energy from aboriginal and community owned projects.

#### **Potential mechanisms for collaboration and engagement have been initiated**

In Feb 2017 Conservation Ontario, Forests Ontario and Ducks Unlimited Canada organized a workshop for various provincial stakeholders including agriculture and environmental non-government organizations (NGOs) and CAs to build an understanding of the carbon offset market and to manage expectations. Following the session, the participants sent a letter to Minister of Environment and Climate Change, Glen Murray last winter requesting engagement with the Minister/Ministry to discuss how we could collectively engage in the regulatory and voluntary carbon markets. The Province could promote the specific involvement of CO and CAs by facilitating a follow up session with CAs and others to assist in design and implementation of the voluntary and any regulatory program focused on natural heritage/systems. Conservation Ontario would be interesting in helping to facilitate this.

The webinars the Province held about this proposed program in December 2017 specified follow up sessions for a range in stakeholders and an invitation to participate in technical working groups. This is welcomed. The necessary time and resource commitments to participate in an effective manner should be considered, keeping in mind the range and frequency of feedback requests on current Provincial climate change initiatives, including current grant application processes.

Nevertheless, a number of CAs are currently engaging in some carbon offsetting activities and could potentially build on and leverage their work to participate in a Provincial voluntary carbon offsetting program. To reiterate, CA's generally have on-the-ground

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experience, including being the primary delivery agent in a number of provincial and local programs including the 50 Million Tree Program lead by Forests Ontario. CAs can promote landowner action and develop projects in addition to a number of CAs having the expertise to potentially act in some capacity as project verifiers.

**5. What environmental co-benefits (eg flood management) should be prioritized in the proposed Ontario voluntary carbon offsets Program?**

Conservation Ontario recommends that voluntary carbon offsets program support projects that reflect locally and strategically determined priorities, such as those identified in CA watershed plans or municipal forest or natural heritage plans. Environmental co-benefits could be prioritized by region, area or watershed. In some watersheds, nutrient loading is an incredibly valuable co-benefit (i.e. Lake Simcoe watershed and Lake Erie basin). Also in those watersheds and many others, flood risk mitigation may have additional and potentially more value.

Further specific examples of co-benefits include:

- Flood resiliency / Ecological goods and services analyses completed by CVC demonstrate the value of wetlands, forests and grasslands ([Municipal Natural Asset Initiative: Pilot for the Region of Peel](#) 2017) in the provision of flood resiliency services. Flooding is a major climate change impact experienced in Ontario. This should be high on the priority list when reviewing co-benefits and include mitigation of excessive erosion as a component.

Furthermore, the focus on building natural capital lends itself to prioritization of project types that address the infrastructure deficit, a key challenge facing Ontario. Co-benefits relevant to water-related infrastructure include maintaining or enhancing water balance (improving storm water management), flood mitigation, reduction of pollutant loadings (linked to assimilative capacity and wastewater infrastructure), protection of drinking water sources (quality and quantity), and erosion control. These project types also provide a broad range of social and community benefits, which are mentioned in the discussion paper but not elaborated upon (e.g., water security).

- Additionally, the co-benefits of green infrastructure can be increased by a higher diversity of the types of green infrastructure projects (e.g. parks, street tree projects, etc) as well as higher biodiversity used within projects. Allowing for adaptive design and management of diverse green infrastructure projects and innovative practices at small-scales could increase the overall co-benefits associated with this program.
- In the highly fragmented landscape of southern Ontario, natural heritage system restoration has significant potential, providing a range of co-benefits. Enhancing connectivity and restoration of natural features and ecosystem functions (i.e. planting of plantation monocultures is not an appropriate voluntary offset tool) is one of the most important

recommendations to allow space for natural ecosystems to adapt in the face of climate change.

- Well-being and associated improved health is another important co-benefit for consideration
- While considering co-benefits, proper attention should be paid to the difference in scales and contexts with respect to various ecosystem services and benefits. For instance, reduction in heat-related stress is more local in nature, while carbon sequestration benefits are global. In addition, a distinction should be made between final benefits and intermediate (“supporting”) services to avoid duplication and double counting.
- Behavioral shift in the population towards conservation practices.

Finally, ‘climate change resilience’ should be more explicitly accounted for as a co-benefit. This could include general benefits such as increasing habitat and biodiversity as well as more specifically defined benefits such as choosing\considering native species with high resistance\resilience to the anticipated stressors of climate change (weather extremes, drought\flood, insects – see [US Forest Service Modification Factors \(MODFACS\)](#) adaptability scoring’ for tree species as an example).

## **6. What project types should be a priority for the Ontario voluntary carbon offsets program?**

Ecosystem or watershed-based restoration or enhancement projects that have been identified as local priorities by municipalities, conservation authorities or other local conservation based agencies should be included in the voluntary carbon offsets program to support their implementation. For example, Maitland Valley conservation authority (MVCA) is working to restore the headwaters of the Middle Maitland River upstream of Listowel. This includes 2,000 acres of flood plain/river valley lands and many co-benefits (flood management, biodiversity, water quality, etc.).

Afforestation should be a priority and co-benefits of any project are realized when the restoration projects are strategically prioritized in locations. For example strategically established riparian buffers will contribute water quality benefits, groundwater recharge, reducing sediment loading on erosion prone agricultural land and provide fish and wildlife habitat and generally support biodiversity. Many CAs have the expertise, accounting and monitoring systems ready to leverage.

In rural and especially urban areas other projects should include interconnected systems of green infrastructure that incorporates bioswales, and vegetative technologies in low impact development, rural stormwater management practices and reclaimed greenspaces. Wetland creation should also be eligible, supporting the Ministry of Natural Resources’ “Wetland Conservation Strategy for Ontario” as well as providing a number of co-benefits such as biodiversity, flood attenuation and improved water quality.

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A variety of the prioritization and decision-making tools can be used to help with selecting project types to provide maximum benefits for carbon sequestration and beyond. For example in 2016, Credit Valley Conservation developed an environmental benefits index (EBI) tool that considers a range of environmental and socio-economic benefits to rank wetland restoration projects in the watershed.

**7. What actions can the Ministry take to support viable end markets for Ontario voluntary carbon offset credits?**

Conservation Ontario encourages the Province to establish mechanisms that ensures the long term viability and implementation of the voluntary carbon offsets program. The offset protocols, being adapted for Ontario will be important and helpful in support of a standardized methodology for calculating the valuation of offsets under a voluntary program. Administration needs to be straightforward with on the ground support for promotion, outreach and assistance with development, verification and monitoring of projects and their co-benefits.

Start-up funding would be helpful towards initiating good quality projects and tax reductions/energy credits might be incentives for offset credit purchasers. Based on Conservation authority experience in delivery of local programs, it is suggested that significant outreach and education resources are required to encourage businesses, agricultural producers, landowners and other stakeholders to develop emission reduction objectives and then decide to contribute or implement the program. Participants could be provided convenient options and tools (eg. websites, calculators) to support decisions and actions to become carbon-neutral. Please see some current conservation authority program examples in response to Question 8.

Conservation Ontario also suggests that the Government prioritize the public release of its long-term strategy for carbon neutrality. This strategy could serve as a rallying point for other public and private sector organizations to follow and align themselves with the Ontario Public Service. Building on this point, consider facilitating the development of a public recognition program that rewards public and private sector organizations for adopting and achieving carbon neutrality commitments.

Furthermore, the Province/Ministry can take steps to encourage the development of a wide geographical distribution of projects within the voluntary offset market, towards participation by local organizations across the province by enabling them to support projects within their community. See for example the initiative of a group of local governments in British Columbia who are pioneering the development of a [local carbon offset program](#).

**8. Are there existing standards or methodologies that you feel the Ministry should consider when developing requirements for the creation of carbon offsets projects?**

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The document mentions many of the existing standards and protocols. While it makes sense to use these well-developed and accepted existing protocols, it will be important to limit the barriers which have not allowed smaller projects and organizations to participate in the compulsory carbon markets.

The World Wildlife Fund (Germany) report entitled "[Making Sense of the Voluntary Carbon Market](#)" recommends that Voluntary Markets need to follow Clean Development Mechanism (CDM) processes so as not to undercut the compliance market offsetting process and maintain the production of verifiable offsets. That being said, while a high level of rigor is necessary, some flexibility is encouraged if the voluntary program is to attract private landowners. Verification and Aggregation approaches should consider the utilization where possible, of surrogate indicators of success rather than direct monitoring to ease overhead burden for the province's voluntary carbon offsets program.

**Conservation Authority Voluntary Carbon Offset Initiatives:**

Conservation authorities in Ontario are exploring various standards and methodologies and some of them have established voluntary carbon offset programs. For example, the Maitland Valley (MVCA) and Ausable-Bayfield (ABCA) conservation authorities, with financial support of a pilot project funded by the County of Huron, created a voluntary carbon compensation/counter-balance (offset) program called "Carbon [Footprints to Forests](#)".

The "Carbon Footprints to Forests" approach would be a beneficial approach to supporting carbon neutrality; co-benefits; and resilient communities and it is community-based; with diverse community participation. The program website is: [Footprints to Forests](#) and hosts an interactive carbon calculator. Through this program, consumers can find out the size of their carbon footprint (from home energy use and travel) and how many trees would need to be planted (permanently) to capture the greenhouse gases (GHGs) released. The calculator includes the cost to have the local conservation authority plant those trees and maintain them to maturity for carbon capture. Seed funding can help to create a program, but to grow the program there needs to be additional dedicated funding to support expertise in community-based social marketing .

For additional background to the "Carbon Footprints to Forests" program and to learn about the Ausable Bayfield Conservation Authority (ABCA) approach to carbon sequestration and voluntary carbon offset initiatives please access: [ABCA Land Stewardship Initiatives: An Assessment of Carbon Sequestration and Future Funding Opportunities](#) prepared by Kuzuka Ltd. on January 12, 2012. As outlined in this document, this approach would be appropriate as a "quality, branded, voluntary carbon offset class for use by government, private sector and others, as an additional way to enable participants to reduce emissions, and to support the government's carbon-neutral commitment."

Rideau Valley Conservation Authority (RVCA) also established and has been implementing a

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voluntary carbon offset program called [Carbon Neutral](#) since 2011. The program is being cross promoted with participating [businesses](#) and other partners in the Rideau Valley watershed.

More examples to support the potential role of CAs in assisting the province to develop voluntary offset program protocols and standards include experience in developing, reviewing and implementing standards and protocols for green infrastructure that could help to quantify environmental and other co-benefits. This includes Stormwater Management and Low Impact Development monitoring and performance, Wetland water balance monitoring protocols, and monitoring the effectiveness of natural channel design, in addition to the [TRCA Integrated Restoration Prioritization: a multiple benefit approach to restoration planning](#)

Additional references from other jurisdictions include:

- [Restoring native wildlife habitat and capturing carbon](#)
- [Gold Standard Verified Emission Reduction \(VER\)](#)
- [Climate Community and biodiversity standard](#)
- [Climate Action Reserve Urban Forestry Protocol](#)
- [Urban Forest Carbon Registry, City Forest Credits \(US\)](#)

In conclusion, Conservation Ontario thanks the Ministry of Environment and Climate Change for the opportunity to comment on the “Voluntary Carbon Offsets Program Discussion Paper” and is supportive of the proposed program. CO and CAs are interested in participating in the technical working groups to leverage scientific and technical expertise. This is in addition to offering our experience in developing and partnering to deliver provincial and local programs/projects that will be captured through the proposed program.

Conservation Ontario also looks forward to opportunities to facilitate meetings with the Province/Ministry, CAs and the organizations who met on this subject in February, 2017. If you have any questions about this submission, please contact me at ext. 224; e-mail: [jrzadki@conservationontario.ca](mailto:jrzadki@conservationontario.ca).

Yours truly,



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