

INTERIM GUIDE TO CONSIDERATION OF
EFFECTS OF ENVIRONMENTAL CHANGE
ON SOCIO-ECONOMIC CONDITIONS UNDER
CEAA RELATIVE TO AQUACULTURE
PROJECTS

OPERATIONAL POLICY GUIDANCE

Fisheries and Oceans Canada

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This guide will be reviewed and updated on a regular basis to reflect recent research findings, changes in aquaculture technologies and practices, and new legislative and policy initiatives.

Comments or feedback on the content and format are welcome and will be incorporated into future versions, as appropriate. Please send any comments to:

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1.0 INTRODUCTION

The following **Operational Policy Guidance** is provided to guide regional DFO staff in the consideration of socio-economic conditions relative to aquaculture projects under the *Canadian Environmental Assessment Act* (CEAA) to clarify:

- what changes to socio-economic conditions are considered environmental effects under CEAA?; and
- consideration of changes to socio-economic conditions that are not environmental effects.

This guidance applies in situations where DFO is asked to provide federal support in the form of a regulatory decision as identified on the *Law List Regulations*.

2.0 BACKGROUND

Fisheries and Oceans Canada (DFO) becomes a responsible authority (RA) and is required to ensure that an environmental assessment of an aquaculture proposal is conducted under the *Canadian Environmental Assessment Act* (CEAA) when DFO proposes to issue one or more of the following¹:

- a paragraph 5(1)(a) or subsection 6(4) approval under the *Navigable Waters Protection Act* (NWPA);
- a subsection 35(2) *Fisheries Act* authorization.

The environmental assessment for an aquaculture project will usually be in the form of a screening. Paragraph 16(1)(a) of CEAA indicates that every screening of a project shall include a consideration of the environmental effects of the project.

Section 2 of CEAA defines “environmental effect” as including:

“any change that the project may cause in the environment, including any effect of any such change on health and socio-economic conditions, on physical and cultural heritage, on the current use of lands and resources for traditional purposes by aboriginal persons, or on any structure, site or thing that is of historical, archaeological, paleontological or architectural significance, and any change to the project that may be caused by the environment, whether any such change occurs within or outside Canada.”

Environment is defined by CEAA as:

“the components of the Earth, and includes land, water and air, including all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include the above-noted components.”

¹ The above assumes that a determination has been made that the aquaculture proposal in question is a “project” under CEAA.

3.0 ASSESSMENT OF CHANGES TO SOCIO-ECONOMIC CONDITIONS

3.1 What Changes to Socio-Economic Conditions are Considered Environmental Effects under CEAA?

In determining whether a project is likely to cause significant adverse environmental effects, the consideration of effects on socio-economic conditions under CEAA is limited to those effects resulting from changes in the environment. A distinction must be made between socio-economic effects attributable to changes in the environment (“indirect” effects) and socio-economic effects arising from the project itself (“direct” effects).

An “indirect” effect on socio-economic conditions resulting from a change in the environment is an environmental effect as defined under CEAA. Such effects, as per paragraph 16(1)(a) of CEAA, must be considered in the environmental assessment under CEAA.

A “direct” effect on socio-economic conditions is unrelated to any change in the environment and is not an "environmental effect" as defined under CEAA. Thus, “direct” effects on socio-economic conditions does not initially have to be considered in determining whether the project is likely to cause significant adverse environmental effects. See the section on **Consideration of "Direct" Effects on Socio-economic Conditions** later in this document.

To assist in clarifying the difference between “direct” and “indirect” socio-economic effects with respect to aquaculture, the following examples are provided:

If an effect on socio-economic conditions (e.g., job losses or loss of income suffered by commercial fishers, tourism or recreational lodge operators) is caused by a change in the environment (e.g., disruption or loss of fish habitat at a site which supports fisheries resources, or changes in the migration patterns of migratory birds), then this is an “indirect” effect that must be considered when determining whether the project is likely to cause significant adverse environmental effects.

A direct effect on socio-economic conditions is caused, not by a change in the environment, but by something else related to the project (e.g., the loss of fishing privileges as a result of the issuance of the provincial aquaculture lease², increase in job opportunities, creation of processing plant). Since this effect is not directly derived from a change in the environment, then it would not represent an environmental effect within the meaning of CEAA and would not have to be considered in the initial identification of the environmental effects likely to result from the project.

² The legal overview for the Fisheries Management Guidelines for Evaluating Proposed Aquaculture Tenures (October 2001) explains the context and rationale for restrictions of the public right to fish where permitted aquaculture activities are being conducted..

3.2 Consideration of Changes to Socio-economic Conditions that are not Environmental Effects

3.2.1 *As Mitigation Measures*

Paragraph 16(1)(e) of CEAA provides DFO, as the RA, the discretion to consider “any other matter relevant to the screening”. The direct effects on socio-economic conditions can be considered during the screening of an aquaculture project under this provision.

Such consideration, however, will not be factored in when reaching a conclusion on the significance of adverse environmental effects unless the "direct" socio-economic effects (typically, positive effects) can be applied to mitigate the adverse effects resulting from the project. In other words, the "direct" socio-economic effects related to the project under review will usually be considered in the assessment if they can play a role in mitigating the adverse effects of the project so as to maintain these effects below the significance threshold.

However, it should be clear that these “direct” socio-economic effects to be used as mitigation measures need to be applied to the same factor affected by the “indirect” socio-economic effect. For example, a fisher’s economic situation is affected because of impacts to fish habitat affecting the fishery. The aquaculture operation proposes to employ that fisher. Thus, the action of the aquaculture operation employing the fisher could be considered mitigation to offset the indirect economic impact to that fisher from the fish habitat impacts likely to be caused by the proposed aquaculture activity

3.2.2 *As Justification*

The consideration of direct effects on socio-economic conditions can also come into play in determining whether significant adverse environmental effects can be justified or not.

Under subsection 20(1) of CEAA, an RA may have to conclude that, after taking into account the implementation of mitigation measures, the project is likely to cause significant adverse environmental effects

Despite such a conclusion, DFO could still contemplate issuing its approval or authorisation for the project if the Department is of the view that these significant adverse environmental effects can be justified in the circumstances. The overall positive “direct” effects on socio-economic conditions that could result from an aquaculture project could then be used as a justification to outweigh the significant adverse environmental effects of the project. However, the project would first have to be reviewed by a panel or a mediator before DFO could decide to issue its approval or authorisation for the project on the basis that that the socio-economic benefits of the project would outweigh its significant adverse environmental effects.