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## Consultation response to the Mary River Project, Phase 2

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### Espoo report

The Canadian authorities approved the original project proposal for the Mary River Project in 2012 without prior consultation of Greenland regarding the project's transboundary impacts. In 2018, Baffinland applied for an extension of the project called Phase 2. As part of this application, an appendix to the original project proposal was prepared in 2018. At the same time, several technical reports were compiled to shed light on the consequences of the enlargement. Neither in the original project proposal nor the Phase 2 proposal has Greenland been contacted by Canada to be consulted in accordance with the Espoo Convention.

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In early 2020, the Ministry for Agriculture, Self-Sufficiency, Energy and Environment (hereinafter the "Ministry") requested Canada to initiate an Espoo process as the Ministry was concerned that there could be transboundary impacts on the project. Canada granted the Ministry's request, and in February 2021, the Ministry received an Espoo report.

According to the Espoo Convention, an Espoo report must describe and assess the transboundary impacts of a project. The submitted Espoo report contains assessments of the transboundary impacts caused by the project in a limited area around the project infrastructure in Canada (MRSA). The Espoo report is based on the studies that have been carried out in the local area in Canada and does not include an assessment of the consequences of shipping iron ore with large cargo ships through Baffin Bay and along the west coast of Greenland in periods and areas where there have not previously been disturbances from ship traffic.

The present Espoo report is based on a delimitation of the project, which was clarified internally in Canada two years before the Ministry requested to be consulted under the Espoo Convention. The then delimitation of the project has not considered the project's consequences for Greenland, and the Ministry, therefore, assesses that the Espoo report does not adequately explain the potential transboundary impacts. Likewise, Baffinland has refused to investigate and assess the original project proposal's transboundary impacts because the Canadian authorities already approved this part of the project in 2012.

### **Potential transboundary impacts**

Based on the above, the Ministry has the following concerns about potential transboundary impacts from the project:

#### The impact on narwhals and belugas

Approx. 15% of the world's narwhals stay in Eclipse Sound during the summer. Narwhals from this population make up approx. half of the whales caught in Disko Bay in West Greenland in winter. Narwhals have traditionally only been found in isolated areas of the Arctic without any ship traffic, and where so far, there has been very little human activity. The species is susceptible to noise, and the increased ship traffic and the larger vessels resulting from the project can negatively affect the stock, which means that if the summer population of Eclipse Sound is reduced, or their migration to Disko Bay is disturbed by icebreakers, it will affect the number of narwhal in Disko Bay and so also affect the possibilities of catching narwhal here. Therefore, Greenland is extremely interested in knowing the project's actual impact on narwhals.

However, the Espoo report only sheds light on the impact of narwhals at Eclipse Sound and near the Canadian coast. The report needs to assess whether the ship traffic in the waters between Canada and Greenland coincides with the narwhals' migration periods and routes between Canada and Greenland and whether this could negatively affect the narwhal population. Therefore, the Ministry finds that the Espoo report's assessment that the project does not affect the population of narwhals from Eclipse Sound has been made on an incomplete basis. The same applies to the assessment of the impact on belugas.

#### The impact on bowhead whales

Greenland has an international responsibility for the protection of the bowhead whale population. Over 30% of the stock from Baffin Bay are in West Greenland. The species is large and moves slowly, and also susceptible to ship noise. The increased ship traffic and larger vessels resulting from the project may lead to an increased risk of direct collisions with the whales and an increased disturbance when they migrate between Canada and Greenland.

As described above in the section on the impact on narwhals and belugas, the Espoo report only sheds light on the impact of the bowhead whale within a limited study area in Canada (MRSA) and does not address whether ship traffic coincides with the species' migration routes and periods. Preventive measures (such as speed limitation and constant course) are also only available within the project area in Canadian waters. So, the Espoo report does not relate to the project's impact on the occurrence and capture of whales in West Greenland. Therefore, the Ministry finds that the Espoo report's assessment that the project does not affect the bowhead whale population has been made on an incomplete basis.

#### The impact on walruses

The banks and drift ice off West Greenland are a vital foraging and breeding area for walruses. For the same reason, the population is susceptible to disturbances

and has left all previous landing sites in West Greenland. The increased ship traffic resulting from the project and the anchoring at Store Hellefiskebanke (Large Halibut Bank) can negatively affect the stock if it coincides with the time of the walrus' migration and stay in West Greenland.

The Espoo report relates exclusively to the limited prevalence of walrus in the study area (MRSA). Therefore, the report needs to consider whether ship traffic can affect the walrus population at Store Hellefiskebanke, as well as in Baffin Bay and Hudson Strait. Thus, the Ministry finds that the Espoo report's assessment that the project does not affect the walrus population has been made on an incomplete basis.

#### Store Hellefiskebanke and oil spill

Store Hellefiskebanke is a sensitive sea area off the west coast of Greenland. The area is a vital habitat and foraging area for many species of marine mammals, seabirds and benthic animals. The project description shows that the area is used as a temporary anchoring site for the ore ships before the ice breaks up and the ships can navigate Pond Inlet.

The Espoo report lacks a risk assessment of the following risks concerning shipping in Greenlandic waters and anchoring at Store Hellefiskebanke:

- Collision with marine mammals, resulting in marine mammals being injured or dying,
- Grounding resulting in damage to ships or possible harm to aquatic organisms,
- Interaction between ice and vessels, resulting in a delay or possible damage to the vessel,
- Collision with other ships resulting in damage to ships, and possible harm to aquatic organisms,
- Larger oil spills along the shipping route, resulting in pollution of the marine and coastal environment along the shipping route.

Similarly, the Espoo report does not propose any deterrent measures to reduce the potential negative impacts of shipping through Greenlandic waters. The assessment should also include a risk assessment regarding spillage of heavy fuel oil (HFO), low sulphur oil (LSFO) and marine gas oil (MGO) used by the ore vessels throughout the Phase 2 proposal.

#### **Recommendation**

The Ministry recommends that an overall environmental assessment be prepared for the Phase 2 project. The environmental assessment should cover the entire physical area affected by the Mary River Project, including the impact on habitats and migration routes along shipping routes located in areas that have not traditionally been affected by disruption from ship traffic.

The Ministry also calls for early involvement of Greenland in connection with projects that may have transboundary impacts in accordance with the Espoo Convention.