



Climate Finance for Climate Justice Policy Brief Highlights*

INTRODUCTION

For Canada's 2021-2025 international climate finance package, the Government should prioritize adaptation, nature-based solutions and feminist climate action and strive to reach the most vulnerable countries and people. In delivering its climate finance, Canada should demonstrate:

TRANSPARENCY

Count only principal purpose climate projects in the allocation of the \$5.3 billion pledge. The US\$100 billion is a climate specific pledge. We look to the Canadian Government to ensure climate is mainstreamed across different development objectives. However, to increase transparency and ensure predictability, only principal purpose climate projects should be counted against Canada's obligations to the US\$100B commitment.

ACCESS

- Diversify Canada's climate finance portfolio and increase direct access. Up to now, Canada's reliance on special programmes created within multilateral development banks to channel climate finance has shifted our impact away from adaptation, and away from a feminist focus on the most vulnerable. To increase direct access, Canada must commit to at least 40% of activities (up from 9% in the 2016-2020 pledge) to be allocated through direct bilateral channels and partnerships and to diversify our portfolio away from multilateral channels.
- Reduce Canada's reliance on loans in its climate finance; increase grants to at least 75%. This acknowledges that developing countries should not be responsible for debt resulting from climate impacts for which they bear little responsibility.

- Earmark funds to reach most vulnerable countries and people, particularly Small Island Developing States (SIDS) and Least Developed Countries (LDCs), consistent with development effectiveness principles and the rights of Indigenous Peoples.
- Expand the role of Canadian CSOs in all aspects of implementing the \$5.3 billion pledge, particularly in advancing a focus on adaptation. Adaptation is highly context and community specific. Canadian CSOs, with deep relationships in developing countries, are well placed to reach the most vulnerable with locally adapted climate and nature-based solutions.
- Invest in local CSOs in developing countries - In the context of shrinking civic space, Canada can improve localization in its climate finance by protecting environmental human rights defenders and supporting climate initiatives from Indigenous Peoples' organizations.

PRIORITIZE ADAPTATION

Increase adaptation finance to make up at least 50% of the total; ensure that adaptation is a significant outcome of each initiative and avoids unintended consequences for vulnerable people. There is considerable debate about the actual levels of donors' adaptation finance, including for Canada.

MAKE CANADA'S CLIMATE FINANCE TRULY FEMINIST

Expand support for principal purpose gender equality projects in Canada's climate finance. While Canada has significant experience in bringing a feminist approach to climate finance, it has almost no climate projects where gender equality is the main objective.

*Excerpts taken from the ***Canadian Coalition on Climate Change and Development Policy Brief*** submitted to the Government of Canada, Fall 2021.