



C4D Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

Prepared by
Canadian Coalition on Climate Change and
Development (C4D)

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Recommendations

Recommendation 1 - Government of Canada should commit to ensuring that at least 50 percent of Canada's international climate finance commitments are channeled towards investments in adaptation.

Recommendation 2 - Government of Canada's Federal Budget 2019 should commit to ensuring that Canada's international climate finance, particularly adaptation funding, is delivered in the form of grants, favouring bilateral channels that reach the poorest and most vulnerable.

Recommendation 3 - Government of Canada should increase support for women's leadership and decision making in developing countries, through designating funding towards women's organizations and movements working on climate adaptation and resilience-building.

Introduction

The Canadian Coalition on Climate Change for Development (C4D)¹ welcomes the opportunity to submit recommendations to the pre-budget consultation process. C4D notes the progress in implementing Canada's 2015 commitment of \$2.65 billion over five years to support the efforts and actions of the poorest and most vulnerable countries to adapt to the adverse effects of climate change, as part of the global commitment to achieve the \$100 Billion goal by 2020 from all Developed countries of the UNFCCC.

With climate change threatening to push an additional 100 million people into extreme poverty by 2030, and with the 2020 international deadline for scaling up ambition to tackle climate change around the world approaching fast, C4D urges the Government of Canada to reaffirm the collective commitment to mobilize US\$100bn per year by 2020, and to take further steps to uphold Canadian leadership in confronting one of the world's greatest challenges.

Recommendation 1 - Government of Canada should commit to ensuring that at least 50 percent of Canada's international climate finance commitments are channeled towards investments in adaptation.

Canada's support for adaptation initiatives has increased since 2013 and has positioned Canada amongst a select few countries upholding the principle of balanced support for adaptation and mitigation initiatives. However, the share of Canada's international climate finance going to adaptation is set to decline to approximately 35% in 2017-18. Investments in adaptation are particularly critical in developing countries, which are already absorbing up to 80% of the costs of climate change through food insecurity, migration, and losses and damages.

Article 9 of the Paris Agreement calls for scaled-up financial resources to be balanced between adaptation and mitigation. At \$625 million in public finance for 2015-16, Canada is far from meeting its fair share of international climate finance, which, based on the size of our economy relative to other advanced economies, is estimated at \$1.8 billion of public finance per year. Canada should develop and publish a clear plan to reach \$1.8 billion in predictable, sustainable and adequate, annual public climate finance, well in advance of 2020, with funding that is new and additional to the existing aid budget. This means committing \$0.9 billion in adaptation funding.

As noted in C4D's 2017 report on Canadian climate finance from 2010-2015², a greater focus on adaptation, within the context of increasing Canada's international climate finance, will enable Canada to achieve its goals around gender equality, fulfill its commitments to the Paris Agreement on Climate Change, and demonstrate Canadian leadership toward global sustainability, with benefits that extend across borders.

¹ C4D is a coalition of Canadian international development and environmental organizations working together to share knowledge and take concerted action to address climate change in Canada and abroad. Currently C4D has 24 members that include Canadian NGOs, Civil Society Organizations and Research Institutions. For further information visit: www.c4d.ca

² C4D (2017) *The Reality of Canada's International Climate Finance, 2010 to 2015: A Benchmarking Report* is available at www.c4d.ca and www.aidwatchcanada.ca

Recommendation 2 - The Government of Canada's Federal Budget 2019 should commit to ensuring that Canada's international climate finance, particularly adaptation funding, is delivered in the form of grants, favouring bilateral channels that reach the poorest and most vulnerable.

C4D remains concerned by Canada's heavy reliance on multilateral channels for delivering its international climate finance. Amounting to almost \$465 million in 2015-16, these contributions are often dispersed through private sector partners and rarely reach the world's poorest and most vulnerable people. Moreover, loans through multilateral financial institutions (which amounted to almost \$185 million in 2015-16) increase the debt burden of developing countries and decrease the actual value of Canada's support for climate activities. Canada should also ensure that support provided through multilateral finance is transparent, and efficient on the ground. Canada should work towards ensuring that Green Climate Fund governance is improved as it moves towards its replenishment period.

Canada has promised to direct its climate finance to "support the efforts and actions of the poorest and most vulnerable countries to adapt to the adverse effects of climate change" [Prime Minister Trudeau, November 2015]. C4D encourages the Government of Canada to pursue a greater focus on grant-based mechanisms, to ensure the effectiveness of investments, while directing those through channels that reach the poorest and most vulnerable. Civil Society Organizations (CSOs) have demonstrated that they can reach and engage communities vulnerable to climate change, understand local contexts, and work in a participatory manner to address climate change and strengthen community resilience.

C4D welcomes the Government of Canada's provision of \$30 million to the Least Developed Countries Fund, and \$10 million over five years (2016–2021) to support the improvement of early warning systems in some of the most vulnerable communities. We encourage the Government of Canada to increase its grants-based contributions to the world's most vulnerable countries, with a particular focus on adaptation initiatives, as part of an overall increase in Canada's international climate finance in line with its Copenhagen Accord and Paris Agreement commitments. Investments in adaptation focusing on agriculture, water, health, and disaster preparedness are the most important sectors affecting poor and vulnerable people.

Recommendation 3 - Government of Canada should increase support for women's leadership and decision making in developing countries, through ensuring direct linkages between the Feminist International Assistance Policy and Canada's climate finance priorities, designating funding towards women's organizations and movements working on climate adaptation and resilience-building.

Canada has been a champion in prioritizing gender equality in multilateral negotiations and ensuring the creation of gender-responsive climate policy at all levels, including in agriculture. It has played a key role in promoting the UNFCCC Gender Action Plan, and has recognized the value of supporting women in climate change in its Feminist

International Assistance Policy. Integrating climate change consideration into its development funding means recognizing that climate change affects women and girls the most.

We welcome the integration of climate considerations into development assistance, specifically when funds are being channeled to support projects that impact the lives of women and girls in developing countries. However, a feminist approach means ensuring that organizations on the ground are partners of choice. Women and women's organizations have been key agents of change in responding to the effects of climate change. Implementing agencies should therefore be local or regional women-led women's right organizations working in affected communities in developing countries.

C4D recommends that the Government of Canada designate specific funds to support women's environmental organizations, strengthen climate change movements and support small-scale farmers adapting to climate change by prioritizing initiatives led by women farmers and their organizations. This would support climate-resilient agriculture, provide greater support for critically-needed climate adaptation, promote environmental sustainability, build more resilient and secure livelihoods, improve food and nutrition security, and greatly advance gender equality, thereby creating transformative change. Article 7 of the Paris Agreement states that "...adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups...". Through designating funds toward women's organizations and movements working on climate adaptation and resilience-building, Canada would operationalize its priority of empowering women and promoting gender equality while realizing its international commitments on climate finance.

Please Note: C4D has commissioned an updated study on all allocations to date resulting from Canada's \$2.65 billion commitment to climate finance, which is to be implemented between 2015 and 2020. While the overall trends described in that study will not change for the period before 2015, some of the specific figures may be updated. C4D will provide a short update for the Committee on these trends and allocations when they are available later in August.

For further information on the document, please contact:

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