

NOVEMBER 2023

GALVANIZING CANADIAN LEADERSHIP FOR CLIMATE ACTION

Policy brief

CANADIAN COALITION ON CLIMATE CHANGE AND DEVELOPMENT (C4D)

The urgency for ambitious climate action has never been more critical. 2023 has been a record-breaking year for climate change, including unprecedented heating, floods, storms, drought, wildfires, and melting glaciers across the planet. The human and ecological impacts of the climate crisis have led to increased inequality, loss of biodiversity, and more fragile food systems, livelihoods, and security.

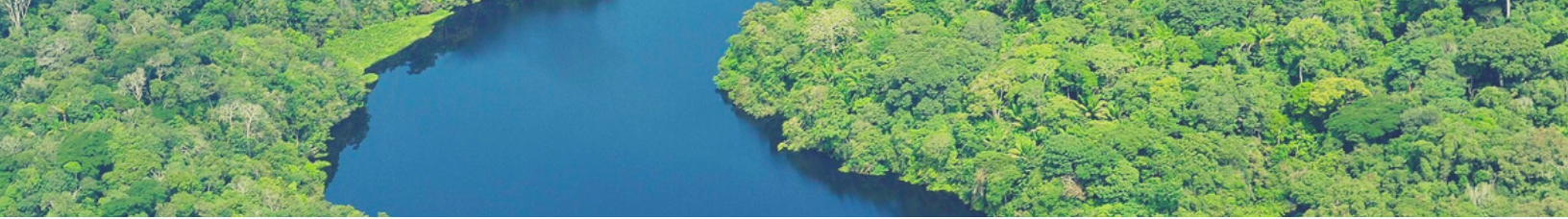
Today, the most climate-vulnerable countries are also affected by conflict, further driving displacement. There is no time to lose. To meet the goals of the Paris Agreement, more significant effort is needed in climate mitigation and adaptation, as well as addressing loss and damage, while continuing to further invest in development, humanitarian action, and peace.

Climate finance is key to limiting emissions and safeguarding shock-prone communities from the impacts of the climate crisis. But Canada still needs to meet its stated targets or fair share of international commitments.

Canada has an opportunity to demonstrate global leadership to address the cascade of climate-related crises by enhancing its climate finance. In this brief, C4D recommends three actions Canada should take in 2023-24. As the severity of climate impacts increases each year, Canada will also need to scale up climate finance with new and additional resources post-2026 and improve its performance against the quality markers outlined below.



Judes Berahino and her husband Diomed Hazkima tend to their cassava crops using conservation agriculture techniques learned from Help Channel Burundi, local partner of our member MCC. They have seen a significant increase in crop production by protecting the soil, separating certain crops, and practicing minimum tilling. (Photo: Maya Masengi)



Recommendations for Quality Climate Finance

In 2021, Canada announced a new climate finance framework and pledged to double its climate finance to \$5.3 billion over five years (2021-2026). While increases in the quantity of climate finance are celebrated, much more is needed to meet Canada's fair share. Additionally, Canada's ability to meet its international obligations depends not only on how much but also on how climate finance is allocated. Quality climate finance, for example, prioritizes vulnerable and developing countries, is driven by local expertise and needs, promotes gender equality, upholds children's rights, adequately supports adaptation and mitigation, and engages a diversity of partners. To meet its goals on climate finance and demonstrate global leadership in addressing the climate crisis, Canada needs to ensure that such quality markers are met.

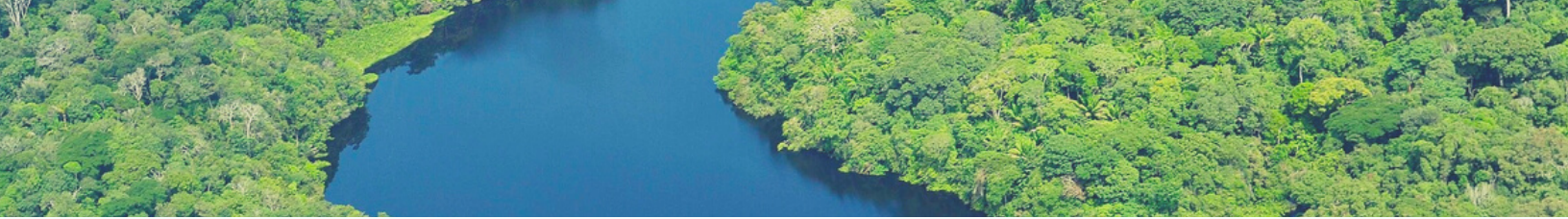
C4D recommends that Canada:

1. Increase Funding for Diverse Partners

Quality climate finance involves engagement with diverse partners, including Indigenous Peoples, women, local communities, and civil society organizations. Such groups have a unique connection to local expertise and community networks and are well-positioned to ensure adaptation funding is quickly and efficiently disbursed to meet local needs. Only 17% of Canada's climate finance is allocated to civil society organizations with direct access to vulnerable populations and local knowledge. Without additional substantial allocations through civil society organizations, current allocations will amount to 10% of the current \$5.3 billion pledge.



Couple taking part in the PROMAVI project, which aims to bring clean water to Bolivia's most disadvantaged populations. Photo Credit: SOCODEVI



Canada should:

- increase adaptation funding through local civil society organizations, particularly those who are led by and closest to vulnerable communities disproportionately affected by climate change;
- increase principal purpose of gender equality programming in climate finance to a minimum of 15% of the \$5.3 billion pledge;
- make climate funding accessible to Global South women's rights organizations, either directly or through civil society organizations in Canada that have mechanisms to reach these organizations;
- systematically monitor, evaluate, and publish how Canada's climate finance supports the most vulnerable, especially women and girls.

2. Support a Quality Loss and Damage Fund

Developing countries have long called for support to address the irreversible losses and damages suffered by vulnerable communities due to climate change. The costs of addressing loss and damage are expected to rise exponentially in the coming years to over US\$1,000 billion by 2040.[1] After the historic agreement at COP27 to set up a new Loss and Damage Fund, there is a pressing need to operationalize it to meet the needs of vulnerable communities without increasing debt burdens. However, significant barriers remain even after the outcomes of the Transition Committee on Loss and Damage.

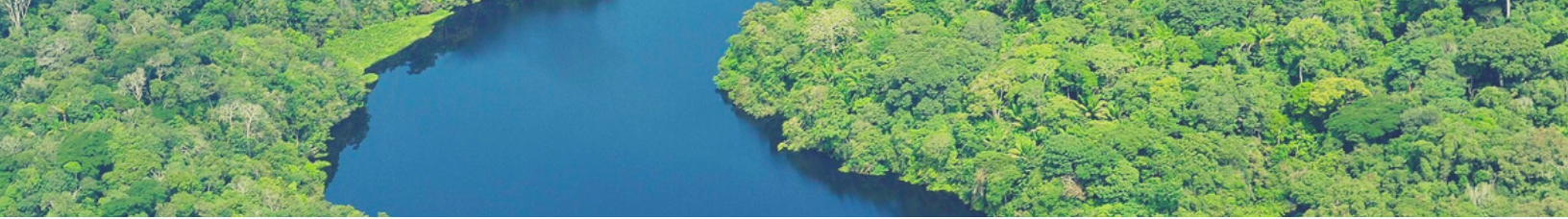


Moolo and Babri had difficulty farming once a severe drought struck Pakistan. Through the HERD program implemented by CWS Asia, the couple received six-month food rations to feed their family. They were also provided seasonal seeds, which Babri planted in hopes of renewed agricultural production. Photo: Sahar Zafar

Canada should:

- use diplomacy to bridge developed and developing countries' positions to ensure the operationalization of a new Loss and Damage Fund;
- support new and additional grant-based funding to address loss and damage through existing and innovative sources that are needs-based, adequate, and predictable;
- ensure that new funding mechanisms do not further contribute to the debt burdens of Least Developed Countries and other highly indebted Middle-Income Countries;
- present a mechanism to address both rapid-response and slow onset losses and damages that is accessible to vulnerable communities, gender-responsive, and locally driven;
- demonstrate a commitment to addressing loss and damage by committing start-up public funds that are new and additional to the \$5.3 billion pledge.

[1] Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage: A Critical Review | SpringerLink. 2018.



3. Increase Adaptation Funding

The Paris Agreement calls for countries to achieve a balance between mitigation and adaptation funding. The need to enhance adaptive capacity, strengthen resilience, and reduce vulnerability to climate change is growing. Canada has committed to allocating a minimum of 40% of funding for climate adaptation in the current funding window but to date has only allocated 33% to adaptation.

Canada should:

- increase funding for adaptation to at least 50% of the \$5.3 billion pledge, separate from any commitments to the Loss and Damage Fund;
- increase grant-based funding to those most vulnerable;
- support a COP28 decision text on increasing adaptation finance beyond a doubling with a clear roadmap on how it will be achieved and reported;
- contribute to operationalizing the Global Goal on Adaptation Framework at COP28.



Bukucuru Emmanuel received emergency food assistance after a devastating hail storm destroyed his crops. Since then, he has started learning new agricultural skills from Help Channel, helping him rebuild his family's future.
Photo: Maya Masengi

The Canadian Coalition on Climate Change and Development (C4D) is a coalition of international development and environmental organizations, consultants, and think-tanks working together to share knowledge and take concerted action to address climate change. Each year C4D commissions AidWatch Canada to report on the latest statistics of Canada's climate finance. This policy brief is based on those findings. More detailed reports can be found at www.aidwatchcanada.ca/canadian-climate-finance/. For more information or access to this policy brief, visit www.climatechangeanddev.ca

MEMBERS: ACTED, ADRA, Aga Khan Foundation Canada, Alinea, AidWatch Canada, Association québécoise des organismes de coopération internationale, British Columbia Council for International Cooperation, Climate Action Network Canada, CARE Canada, CECI, Cooperation Canada, Cooperative Development Foundation of Canada, CESO-SACO, Canadian Network for Neglected Tropical Diseases, CUSO International, Development and Peace, Desjardins, Equality Fund, Engineers Without Borders, Equiterre, Canadian Foodgrains Bank, Canadian Feed the Children, Canadian Lutheran World Relief, Farm Radio International / Radios Rurales Internationales, Grandmothers Advocacy Network (GRAN), Global Citizen, Jane Goodall Institute Canada, iDE, International Institute for Sustainable Development, Mennonite Central Committee, MEDA, Nobel's Women Initiative, ONE, Oxfam Canada, Oxfam-Québec, Plan International, PWRDF, Presbyterian World Service and Development, REAP-Canada, Canadian Red Cross, Save the Children, SOCODEVI, The United Church of Canada, UNICEF Canada, United Nations University, Institute for Water, Environment and Health, WaterAid, World Accord, World Renew, World Vision, WUSC