

Recommendations for Canada's 2021 climate finance renewal

STRENGTHENING CANADA'S POST-2020 CLIMATE FINANCE COMMITMENT

For developing countries struggling under the heavy financial burden of COVID-19 response, international **climate finance is critical** to enabling them to transition to a low-carbon future, climate-resilient future as they work to recover from the pandemic. Even prior to COVID-19, many climate-vulnerable countries in regions such as Sub-Saharan Africa were struggling under the burden of unsustainable debt. Countries lack the financial resources to deal with climate-related shocks and risks let alone invest in climate adaptation and mitigation initiatives. As a **signatory to the Debt Service Suspension Initiative**, Canada has helped enable debt-stricken countries to redirect finances to address recovery efforts in the near term, yet **debt burdens remain a major barrier** to much needed climate investments.

Under the UNFCCC Paris Agreement, Canada and other developed nations have jointly committed to contributing at least US\$100bn annually in carbon finance. Yet leveraging the full potential of this funding requires Canada and other developed countries to improve the **effectiveness, fairness and accountability of climate finance**.

The post-2020 renewal of Canada's climate finance commitment offers an opportunity to address climate and related development priorities as outlined in Canada's Feminist International Assistance Policy (FIAP). As a major carbon emitter and signatory to the Paris Agreement, Canada should significantly increase its contribution to climate finance. Moreover, the delivery of Canada's climate finance should advance its feminist commitments by addressing underlying inequalities that heighten the vulnerabilities of women, girls and gender diverse people, strengthening the resilience of communities, and supporting an inclusive, sustainable recovery.

IN ESTABLISHING AND DELIVERING CANADA'S POST-2020 CLIMATE FINANCE COMMITMENT, OXFAM CANADA RECOMMENDS THE GOVERNMENT:

- Commit to **DELIVERING A FAIR AND RESPONSIBLE SHARE OF THE GLOBAL COMMITMENT FOR POST-2020 CLIMATE FINANCE**, equating to 4% of the global commitment of USD 100 billion per year. This would require a total annual commitment across public and private funding mechanisms of USD 4 billion per year, with a public finance commitment of CAD 1.8 billion per year.
- Allocate at least **25% OF PUBLIC CLIMATE FINANCE TO LEAST DEVELOPED COUNTRIES (LDCS) AND SMALL ISLAND DEVELOPING STATES (SIDS)**, specifying the share of financing delivered when reporting on climate finance.
- **ALLOCATE 50% OF CLIMATE FINANCE TO ADAPTATION** in order to address Canada's **current funding imbalance** between adaptation (28%) and mitigation (72%).
- **MAXIMIZE GRANTS** to avoid further indebting developing countries; **REPORT THE GRANT-EQUIVALENCY OF CONCESSIONAL LOANS** in reporting of public climate finance to avoid over-reporting of contributions.
- Amend legislation to **REQUIRE EXPORT DEVELOPMENT CANADA (EDC) and FINDEV** to respect international human rights obligations, support efforts to advance gender equality and ensure **all investments** are "consistent with a pathway towards low greenhouse gas emissions and climate-resilient development," as stipulated in Article 2.1c of the Paris Agreement.
- Commit to developing **NEW SOURCES OF INTERNATIONAL FINANCE FOR LOSS AND DAMAGE** additional to the USD 100bn commitment.
- Employ financial instruments such as **debt swaps for climate actions** to help further relieve countries' debt burden while directing investments to climate initiatives that reduce greenhouse gas emissions, address gender inequities, and enhance the climate resilience of women and their communities.

WOMEN ARE CENTRAL TO AN INCLUSIVE, CLIMATE-RESILIENT RECOVERY

Women are on the frontlines of both the climate and COVID-19 crises, working to respond, adapt and find solutions to the challenging realities. Yet climate change and COVID-19 are exacerbating existing gender inequalities, and in turn increase women’s vulnerabilities to climate-induced risks and disasters. Against a backdrop of COVID-19, climate change is threatening women and girls’ well-being and livelihoods by **amplifying conflicts over scarce natural resources**; increasing economic hardship resulting from **compromised resource-based livelihoods**; and driving loss, damage and **displacements** due to climate-related disasters.

Women need access to climate finance and the ability to direct its allocation to projects aimed at strengthening the resilience of their communities from their positions as community leaders, frontline workers, environmental defenders, caregivers and other critical roles. By advancing an intersectional, rights-based feminist approach to its international climate action and working to improve the accessibility of climate finance to women’s rights organizations, Canada can help remove barriers and end inequalities that limit women’s resiliency and ability to participate in climate actions. When women are able to lead and benefit from initiatives aimed at building resiliency to climate-related risks and limiting further climate change, countries move forward on the path to an inclusive, climate resilient future.

TO ADVANCE AN INCLUSIVE, CLIMATE-RESILIENT FUTURE IN LINE WITH CANADA’S FEMINIST INTERNATIONAL ASSISTANCE POLICY, OXFAM RECOMMENDS THE GOVERNMENT:

- **IMPROVE THE ACCESSIBILITY OF FUNDING MECHANISMS** by allocating at least 15% of bilateral funding to gender-specific projects, prioritizing partnerships with feminist organizations and supporting localization.
- Support the **EFFECTIVE PARTICIPATION OF WOMEN, 2SLGBTQ+ PEOPLES AND YOUTH** in decisions regarding the prioritization, allocation and implementation of climate finance; and commit funding to support developing countries in advancing the priorities of the UNFCCC enhanced Lima work programme on gender.
- Support **INDIGENOUS-LED CLIMATE SOLUTIONS**, particularly those championed by Indigenous women’s rights organizations; ensure all projects funded through Canada’s climate finance respect and uphold the principle of Free, Prior and Informed Consent (FPIC) and the UN Declarations on the Rights of Indigenous Peoples.
- Strengthen capacity across government and civil society to effectively **ASSESS AND ADDRESS THE INTERSECTIONAL AND GENDERED IMPACTS** of climate initiatives. Improve monitoring and reporting of gender-related impacts throughout project cycles to help identify effective strategies and scale-up these initiatives.

ADDITIONAL RESOURCES

- Oxfam Canada, 2021. [Feminist Scorecard 2021: Accelerating a Feminist COVID-19 Recovery](#)
- Oxfam Canada, 2020. [Investing in a Feminist Future: Federal Budget Brief](#)
- Oxfam International, 2020. [Climate Finance Shadow Report 2020](#)
- Oxfam International, 2020. [Confronting Carbon Inequality](#)
- Oxfam Canada, 2020. [Oxfam Canada submission to the Government of Canada’s International Climate Finance Consultation](#)



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