



## INTERNATIONAL CLIMATE FINANCING

Canada and other industrialized countries committed in the Paris Agreement to mobilizing USD 100 billion every year to assist developing countries to adapt to climate change impacts and undertake low-carbon development. Using different methodologies, Canada's fair share of the total, based on its wealth and historic responsibility for the problem of climate change, is 3-4%. That totals USD 3-4 billion for every year from 2020 to 2025 for Canada.

The CAN\$2.65 billion that Canada committed in November 2015 is a good start, but the CAN\$800 million that is earmarked for 2020 falls well short of our fair share. Every \$1 of public financing for climate action can only be expected to leverage \$0.38 in private investment, mostly with respect to mitigation.<sup>42</sup> The federal government needs to scale up its efforts and provide certainty on funding in and beyond 2020 by indicating how it intends to mobilize its full, fair share. One promising option is to generate this funding through a levy on bunker fuels used in international aviation and/or marine shipping.

**Recommended Investment** (while considering new revenue sources):

**At least \$2.2 billion** between now and 2020/2021, inclusive (so that Canada can deliver \$3.9 billion in 2020/2021),

**CAN\$2.8-3.8 billion per year** from 2021/2022 to 2025/2026

For more details, please see the Green Budget Coalition's feature recommendation for Budget 2018 on International Climate Financing, at <http://greenbudget.ca/wp-content/uploads/2017/09/GBC-Climate-Financing-2018.pdf>.

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Photo: Chesky

## ZERO EMISSION VEHICLES

Zero emission vehicles (ZEVs) will play a critical role in reducing emissions from the transportation sector and helping Canada meet its Paris commitments. However, in 2017 ZEVs only made up one per cent of new vehicle sales in Canada. ZEV mandates, which require a certain percentage of vehicle sales to be zero emissions, have been used in California, nine other states, and Quebec to grow ZEV market share, thereby reducing pollution from vehicles. The Green Budget Coalition recommends that **Transport Canada implement a ZEV mandate combined with a two-year, Canada-wide ZEV incentive of \$6,000 per vehicle** (restricted to vehicles with a sticker price under \$75,000). Research by the Simon Fraser University Sustainable Transportation Action Research Team demonstrates that this would correct market failures that limit ZEV market penetration, and allow Canada to meet the Clean Energy Ministerial 30@30 global commitment.<sup>43</sup> The Team's research shows that, in the absence of a mandate, the \$6,000 incentive would need to be extended until 2030 to meet the target.

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42. OECD and Climate Policy Initiative. (2015). "Climate Finance in 2013-14 and the USD 100 billion goal."

43. Sustainable Transportation Action Research Team (2017), Canada's ZEV Policy Handbook, Simon Fraser University. <https://sustainabletransport.ca/portfolio/canadas-zev-policy-handbook/>