

## International Climate Finance

The Green Budget Coalition applauds the move to double Canada's international climate finance to \$5.3 billion over five years, with increased support for adaptation as well as nature and nature-based solutions. We also note that the UK COP26 President has invited Canada's Minister of Environment and Climate Change, along with Germany's State Secretary, to lead efforts related to the US\$100 billion climate finance goal.

The Green Budget Coalition recommends that Canada raise this commitment further, to a level in line with Canada's responsibility for 3.7% of the cumulative CO<sub>2</sub> emissions from developed countries.<sup>85</sup> Applying 3.7% to the public portion (~78%<sup>86</sup>) of the \$100 billion USD committed by industrial countries yields a figure of \$3.5 billion CAD that the Green Budget Coalition considers to be Canada's fair share.

This is a large figure but the moment calls for it. We can only avoid dangerous levels of climate change through significantly greater assistance to developing countries along with stronger domestic action. Investments made now will pay off over decades as Canada helps lower-income countries follow green pathways in developing their economies, and as they reduce local climate change impacts through adaptation measures.

The Green Budget Coalition recommends directing at least half of climate finance to adaptation measures, with greater use of nature-based solutions (NbS). But care must be taken in selecting which NbS to fund.<sup>87</sup> Reducing the loss and degradation of tropical forests, grasslands, peatlands and coastal ecosystems is the top priority. Restoring ecosystems is also of value but this does *not* mean adding commercial plantations or afforestation of grasslands. NbS actions must furnish strong climate adaptation/mitigation gains while benefiting biodiversity and fully engaging local communities.

An emissions reduction of 100 Mt CO<sub>2</sub>e would result if \$1 billion were put toward NbS in projects providing avoided or negative emissions costing \$10 per tonne of CO<sub>2</sub>e (hypothetical figure; such opportunities are available).



### Recommended Investment:

An **additional \$12.2 billion over five years**. [GAC, ECCC]

*See also International Biodiversity Conservation, later in this document.*

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<sup>85</sup> Hannah Ritchie, 2019. "Who has contributed most to global CO<sub>2</sub> emissions?" <https://ourworldindata.org/contributed-most-global-co2>

<sup>86</sup> For the period 2013-2017: OECD, "Climate Finance Provided and Mobilised by Developed Countries in 2013-17." <http://oe.cd/cf-2013-17>

<sup>87</sup> Nathalie Seddon et al., "Getting the message right on nature-based solutions to climate change." *Global Change Biology* (2021). <https://doi.org/10.1111/gcb.15513>