

Annex One

What We Heard on Canada's Future Climate Finance Strategy for Developing Countries

Global Affairs Canada, December 2020

<https://www.international.gc.ca/gac-amc/publications/consultation/climate-finance-financement-climatique/report-rapport.aspx?lang=eng>

“We repeatedly heard nine messages during consultation events and in written submissions:

“Achieve Balance: Strengthen adaptation efforts while investing differently in mitigation. Canada should urgently increase its investments in adaptation, recognizing that developing countries are experiencing severe negative impacts of climate change right now. Canada should continue to pursue mitigation action to reduce the scope of climate change and explore new types of interventions that could make a significant positive impact and address gaps in energy access.

“Pursue co-benefit outcomes. Canada should pursue climate action with adaptation and mitigation outcomes that support broader development and economic goals, including COVID recovery. This could include fostering inclusive growth in the blue and green economies, as well as nature-based climate solutions to climate change.

“Build community resilience and enable locally-led solutions. Canada should support locally-led solutions to climate change, and build community resilience in the context of the broader localization agenda. This should be done by improving access to financing at the local level, supporting capacity-building, and investing in community disaster risk reduction, particularly in Small Island Developing States and Least Developed Countries.

“Implement gender-responsive climate finance. Canada should support gender-responsive climate action across all sectors. This includes ensuring that funding reaches feminist organizations, particularly at the local and grassroots levels, and strengthens women's capacity to participate in decision-making and to lead climate initiatives.

“Work in partnership with Indigenous Peoples. Canada should ensure that its climate finance respects, promotes and advances the rights of Indigenous Peoples and integrates their perspectives, needs, and approaches throughout its international climate finance programming. Canada should also look to support Indigenous-led climate action.

“Revisit Financing Mechanisms: Increase grants and change the approach to loans. Canada should provide grants, particularly through bilateral cooperation, to meet specific climate objectives and advance climate action while taking into account COVID realities. Canada should explore new financing mechanisms and increase the effectiveness of its loan portfolio by, for example, accepting higher levels of risk and crowding-in new partners.

“Engage the Canadian private sector and the private sector of developing countries. Adaptation and mitigation outcomes in developing countries should be supported by the knowledge, expertise and experience of the Canadian private sector. Canada should also support the private sector of developing

countries so that they can build sustainable climate change solutions in their own economies and, in turn, increase development impact.

“Leverage Canada’s influence and convening power. Canada should strategically leverage its convening power in international climate finance fora to advance international assistance priorities, including gender-responsive climate action and reaching the world’s poorest and most vulnerable people. Canada should pursue aid effectiveness principles by following the lead of developing country partners and supporting initiatives to implement their National Adaptation Plans and Nationally Determined Contributions.

“Integrate COVID-19 realities. Canada should take COVID realities into consideration when developing its international climate finance approach to help developing countries build back better.”