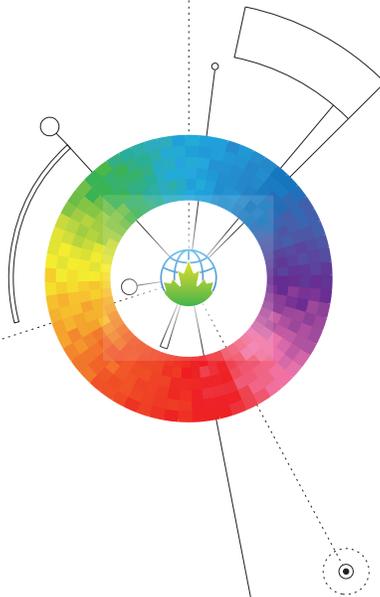


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International Climate Finance – Has Canada Missed the Boat?

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To date, Canadian companies appear to have been left high and dry when it comes to climate finance. Canada has invested more than \$1.2 billion in international climate finance and committed \$2.65 billion in climate finance to developing countries by 2020–21. But none of these funds appear to have been allocated to Canadian cleantech companies and related exports. Although Canadian companies are world leaders in potentially exportable clean technologies, the Fast Start Financing arising out of COP15 in Copenhagen does not go to Canadian companies. Similarly, no Canadian companies are currently Accredited Entities (AEs) of the Green Climate Fund (GCF).

The good ship carbon finance

Canada has committed US\$199 million to the Clean Technology Fund and US\$84 million to the Strategic Climate Fund of the Climate Investment Funds since 2008 and US\$300 million to the Green Climate Fund since 2015. Canada has also committed US\$875 million to the Global Environmental Facility (GEF) through to 2018, with US\$226 million of that funding pledged over the 2014–18 period.

It is difficult for small/medium-sized companies, even large Canadian companies, to take advantage of climate finance options. A lifeline to climate finance is needed in the form of a centralized, one-window bank.



A different tack?

Canada could take four steps to change its climate finance tack.

First, create a single-window climate finance hub for both large and small cleantech companies wanting access to domestic and global climate finance. It could provide a database of all available climate finance facilities and administering entities, assist companies in drafting applications, and develop relationships with other countries' export credit agencies and state-owned companies .

Second, help Canadian financial entities become global finance vectors such as AEs under the GCF, GEF Agencies, Project Agencies, or Project Applicants. Canada's world-leading clean energy companies and engineering service firms are well suited to support applicants and multilateral development banks in GEF developing country projects.

Third, create a domestic Green Investment Bank to facilitate export-directed climate finance. The bank could leverage private-sector funds and incentivize Canadian cleantech exports to developing countries.

Finally, develop a program like Japan's joint crediting mechanism to expand export opportunities for Canadian cleantech companies and enhance the repatriation of emission reductions to credit toward Canada's Paris goals. Accordingly, Canada would become a world leader in the Article 6 flexibility mechanisms under the Paris Agreement.

It is time for Canada's climate finance ship to come to port. Let's harness the winds of change and trim sail on our cleantech course.



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