

**SUBMISSION BY THE  
GOVERNMENT OF CANADA**

**CANADA – 2010 FAST-START FINANCING  
May 2011**

**Introduction**

Canada supports the outcomes of the 2010 Cancun Climate Conference. The Cancun Agreements reflect the resolve by all Parties to the United Nations Framework Convention on Climate Change (UNFCCC) to work together to address the global threat of climate change. Canada believes that the Cancun Agreements strike an appropriate balance between the interests of Parties through the adoption of a comprehensive package of decisions on a wide range of issues, and represent a significant step in the international effort to reach a fair, effective and comprehensive post-2012 climate change regime.

As part of accelerating progress towards a post-2012 regime in line with Parties' ambitions, Canada joined other developed countries in supporting the Copenhagen Accord commitment to deliver fast-start financing, a commitment which was reiterated in the Cancun Agreements. Canada has committed to delivering its fair share of fast-start financing. In Decision 1/CP.16 (paragraph 96), the CoP "*Invites*, in order to enhance transparency, developed country Parties to submit to the secretariat for compilation into an information document, by May 2011, 2012 and 2013, information on the resources provided to fulfil the commitment [...], including ways in which developing country Parties access these resources". Canada has the honour of responding to this invitation via this submission which reports on Canada's fast-start financing in Canada's 2010/11 fiscal year, namely April 1, 2010 to March 31, 2011.

**Delivering on Canada's commitment**

Canada associated with the Copenhagen Accord at the 15<sup>th</sup> Conference of the Parties to the UNFCCC in December 2009, which was attended by the Right Honourable Stephen Harper, Prime Minister of Canada. On March 3, 2010, Her Excellency the Right Honourable Michaëlle Jean, then Governor General of Canada, delivered the Government's Speech from the Throne to open the Third Session of Canada's 40th Parliament and outline the broad agenda of the Government of Canada. The Speech from the Throne confirmed that the "Government has advocated for an agreement that includes all the world's major greenhouse gas emitters", that the "Copenhagen Accord [...] is fully supported by the Government of Canada", and that "Together with other industrialized countries, Canada will provide funding to help developing economies reduce their emissions and adapt to climate change".

In order to fulfill Canada's commitment to new and additional climate change financing, an estimate of Canada's international climate change support planned prior to Canada's association with the Copenhagen Accord was completed. This estimate suggested that during Canada's 2010/11 fiscal year, which began April 1, 2010, approximately \$41 million would flow, including the climate change portion of Canada's contributions to the Global Environment Facility. The Government determined that, as part of providing its fair share of the developed country commitment, \$400 million in new and additional climate change financing would be allocated above and beyond our pre-Copenhagen estimate of planned support during the 2010/11 fiscal year.

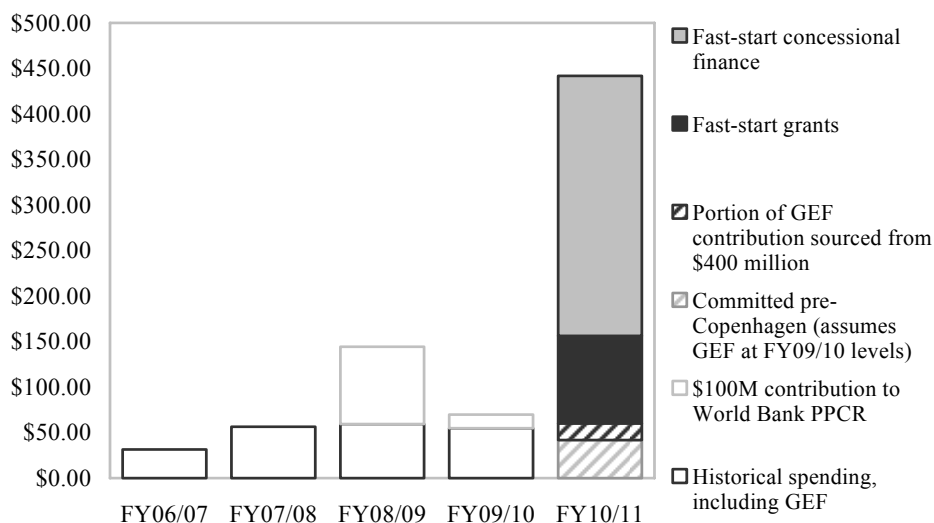
A process was undertaken to identify a strategy to direct Canadian support to key initiatives, based on a number of factors, including: priorities identified by developing countries in the negotiations and through bilateral channels; whether potential recipients had projects that were ready to be funded; and, the ability of recipient organizations to manage resources effectively for rapid disbursement, maximum leverage of private sector finance, and real results, such as measurable emissions reductions and improved climate resilience. This process led Canada to identify three key priorities for its climate financing, namely: (i) adaptation by the poorest and most vulnerable; (ii) clean energy; and (iii) forests and agriculture.

On October 1, 2010, the Government of Canada announced the details of Canada’s provision of fast start financing in fiscal 2010/11. By the end of fiscal 2010/11, all resources provided for under Canada’s fiscal 2010/11 fast-start package were made available to recipients.

### Canada’s fiscal 2010/11 fast-start financing package

Canada’s fast-start investment in fiscal year 2010/11 represents our largest ever contribution to support international efforts to address climate change. The October 1, 2011, announcement estimated that Canada’s total international public climate finance would reach \$441 million (see graph) in fiscal 2010/11, including \$400 million in new and additional climate change financing.<sup>1</sup>

**Canada - public international climate change financing**  
(Millions of Canadian dollars - estimated)



### Adaptation

Canada’s fast-start financing in fiscal 2010/11 provided additional support for adaptation by the poorest and most vulnerable countries, including Least Developed Countries (LDCs), Small Island Developing States (SIDs), and countries in Africa. Our fiscal 2010/11 adaptation financing package built upon significant past contributions to adaptation efforts internationally, including our previous contribution of \$100 million to the World Bank’s Pilot Program on Climate Resilience over fiscal 2008/09 and 2009/10, and included:

- **\$20 million** to the Least Developed Countries Fund (LDCF) in support of urgent and priority adaptation needs of the poorest and most vulnerable countries in the world; this funding has been disbursed to the LDCF, which will use it to support the implementation of National Adaptation Plans of Action.

<sup>1</sup> We expect disbursement may exceed this estimate when final statistics are available on Canada’s international assistance flows through all government departments and agencies. Information on final disbursement will be provided to the Secretariat when it is available.

- **\$10 million** to the International Development Research Centre to support the Africa Adaptation Research Centre Initiative (AARC), to build the capacity of African organizations to do policy-relevant adaptation-related research; seven research centres in different regions of Africa have been selected for support through a call for proposals, and have received initial funding under this initiative;
- **\$4.5 million** for three climate change adaptation initiatives in Haiti, working with Oxfam-Québec, the Alliance Agricole Internationale and the United Nations Development Programme;
- **\$7 million** of Canada's fast-start financing, combined with other international assistance resources, for a contribution **totalling \$15 million** to the World Food Program for the Managing Environmental Resources to Enable Transitions to More Sustainable Livelihoods initiative in Ethiopia to; and,
- **\$3 million** of Canada's fast-start financing, combined with other international assistance resource, for a **total of \$4.45 million** in support of Vietnam's National Target Program on Climate Change.

## Clean Energy

Canada provided the International Finance Corporation (IFC), a member of the World Bank Group, with **\$285.7 million** to be used as concessional financing for a broad portfolio of clean energy projects in developing countries, as part of Canada's commitment to support mitigation efforts.

In addition, **\$5.8 million** in grant financing was provided to support IFC's Advisory Services to help remove barriers to private clean energy investment and build technical expertise. For example, this grant financing will support advice to financial institutions to strengthen their capacity to identify, assess and structure loans to energy efficiency and renewable energy projects.

Canada's investments will support greenhouse gas abatement opportunities and will be deployed to catalyze private sector financing for clean energy projects. Canada will work with the IFC to track the amount of private investment directly mobilized by Canada's public finance contribution to the IFC, as well as the emissions reductions achieved. This type of innovative approach will be key to achieving long-term financing and mitigation goals.

Canada's contributions are being managed by IFC's Financial Mechanisms for Sustainability Group, which deploys donor funds on concessional terms alongside IFC investments, as well as provides grant financing for technical assistance and capacity building.

To be eligible to receive concessional or grant financing from Canada's contributions to IFC, a project must satisfy IFC's standard criteria and due diligence. Please see the Investment and Advisory Services page on [www.ifc.org](http://www.ifc.org).

## Forests and Agriculture

Significant investments were also made to support sustainable land use:

- A **\$40 million** contribution was made to the World Bank's Forest Carbon Partnership Facility's (FCPF) Readiness Fund to support the building of national capacity to address deforestation and forest degradation in developing countries.

- A **\$4.5 million** contribution to the World Bank's BioCarbon Fund, a public/private initiative to support demonstration projects that sequester or conserve carbon in forest and agro-ecosystems. The Fund aims to deliver cost-effective emission reductions, while promoting better understanding of how to manage soil carbon and supporting poverty alleviation.

### **Other support**

An additional **\$1 million** was invested in two activities that supported the inclusion of developing country perspectives in international climate change discussions:

- **\$763,000** in fast-start financing was combined with other international assistance resources to support a **total \$1 million** contribution to the UNFCCC Trust Fund for Participation to support participation by developing country representatives in UNFCCC negotiations.
- **\$237,000** supported an Alliance of Small Island States (AOSIS) Ministerial Meeting in November 2010 allowing AOSIS members and their partners to engage in a focused dialogue during a critical time in the climate change negotiations leading to the Cancun Climate Conference in December 2010.

Finally, Canada is contributing **\$238.4 million** over four years to support the Fifth Replenishment of the Global Environment Facility (GEF), the world's largest environmental fund, which marks an increase of 50% over Canada's contribution over the past four years. **\$18.5 million** in fiscal 2010/11 was drawn from the \$400 million identified for fast-start financing to support the increase in Canada's annual contribution to the GEF during that fiscal year.

### **Access to Canadian resources**

Access provisions for resources provided by Canada to multilateral and plurilateral organizations are based on the rules and guidelines of those organizations, plus any provisions provided for in the contribution agreements. Countries seeking information should contact representatives of those organizations. Canada remains interested, however, to understand the perspectives of developing countries on access to resources from these organizations, in order to effectively perform our role in ensuring effective and accountable governance, a key priority for Canada.

Access to Canadian bilateral support is generally assured through our bilateral development assistance partnerships, which are managed by the Canadian International Development Agency (CIDA) in discussion with its developing country partners. Bilateral programs supported in our fast-start financing package were identified in consideration of overall priorities for bilateral support communicated by partner governments. In addition to any suggestions or proposals that might be communicated through climate change channels, we encourage countries interested in exploring opportunities for bilateral climate change related support to consider identifying them during bilateral consultations with CIDA.

For further information on Canada's international climate change related support, please visit [www.climatechange.gc.ca](http://www.climatechange.gc.ca).