



# Horizontal Evaluation of the International Climate Change Cooperation



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## List of acronyms and abbreviations

C3E	Clean Energy Education and Empowerment
CCAC	Climate and Clean Air Coalition
CEM	Clean Energy Ministerial
COP	Conference of the Parties
ECCC	Environment and Climate Change Canada
G7	Group of Seven
G20	Group of Twenty
GAC	Global Affairs Canada
GBA+	Gender-based Analysis Plus
GHG	greenhouse gas
IPCC	Inter-governmental Panel for Climate Change
MOCA	Ministerial on Climate Action
MOU	memorandum of understanding
Mt	megatonne
NDC	nationally determined contributions
NRCan	Natural Resources Canada
OECD	Organisation for Economic Co-operation and Development
SLCP	short-lived climate pollutants
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
U.S.	United States

## Executive summary

### Context

Formerly known as the International Actions theme under the Clean Air Regulatory Agenda, the International Climate Change Cooperation (ICCC) aims to support international engagement in advancing Canada's climate change objectives. It does so through four activity streams co-delivered by Environment and Climate Change Canada (ECCC), Natural Resources Canada (NRCan) and Global Affairs Canada (GAC):

- Stream 1: Negotiations and Participation
- Stream 2: International Climate Change Obligations
- Stream 3: North American Clean Energy and Environment Strategy
- Stream 4: International Climate Finance

This report presents results from a horizontal evaluation of the ICCC, which was conducted between 2019 and 2020 to meet the requirements of the Treasury Board [Policy on Results](#).

The evaluation assessed the relevance and performance of the ICCC, from April 2016 to December 2019. It examined program design and delivery, governance and the achievement of expected outcomes.

### Findings and conclusions

#### Relevance

The evaluation found that there was a clear and demonstrated need for Canada's continued action to fight global climate change through international bilateral and multilateral cooperation. ICCC activities were aligned with ministerial mandates, Canada's international commitments and other related federal strategies and initiatives associated with climate change and the clean energy transition. Moreover, the ICCC supported the federal role of providing leadership on international issues and promoting Canada's interests globally

#### Effectiveness and efficiency of Stream 1, Stream 2 and Stream 3

Although there was no formal horizontal governance structure to coordinate the delivery of streams 1 to 3 activities, most internal interviewees noted that the roles of participating departments were clear. Coordination took place informally to deliver some of those activities.

During the evaluation period, both ECCC and NRCan conducted activities beyond the ICCC's initial scope and funding, to adapt to the changing and more complex landscape of international cooperation for climate change and the clean energy transition. This increased demand on ICCC program staff created new pressures and capacity challenges.

Overall, streams 1 to 3 activities led to progress towards the achievement of the ICCC's expected outcomes. Among other things, participation in international cooperation and negotiations allowed Canada to surpass its targeted objectives and to promote the inclusion of women, youth and Indigenous peoples' perspectives in climate change and clean energy discussions. The ICCC also supported ongoing cooperation at the North American level. Canada undertook a variety of technical capacity-building activities with developing countries and international organizations, to strengthen policy, regulatory and scientific regimes in areas such as adaptation and resilience, clean energy and forest carbon. At the regional level, progress has been made towards achieving the goal of reaching 50% zero-carbon power generation in North America, reducing short-lived climate pollutants and implementing clean transportation and carbon pricing.

### Effectiveness and efficiency of Stream 4

While roles and responsibilities for climate finance were divided between ECCC and GAC, some interviewees felt that improving the coordination between the two departments could support a more effective approach to the delivery and oversight of these activities. As well, several interviewees identified a need for greater coherence in Canada's approach to climate finance and the opportunity to increase coordination with other departments and agencies that have expertise in this area.

The ICCC achieved its direct expected outcome to initiate both adaptation and mitigation projects. The ICCC made progress towards achieving its expected outcomes of leveraging investments from the private sector, increasing climate resilience in developing countries and meeting its GHG reduction target. Moreover, progress was made during the evaluation period to integrate the perspectives of women, youth and Indigenous peoples into Canada's climate finance, but more work remains to be done in this area.

### Recommendations

The first recommendation is addressed to ECCC and NRCan, while the second one is addressed to ECCC and GAC.

#### **Recommendation 1: Environment and Climate Change Canada and Natural Resources Canada should develop a strategic approach to prioritizing and allocating resources to cooperation and negotiation activities.**

As a result of enhanced expectations related to addressing climate change, ECCC and NRCan have undertaken a number of activities in relation to international negotiations and cooperation that were not originally foreseen. While both departments were able to conduct some of these additional activities by reallocating existing departmental resources, these additional activities have generated pressure on departmental resources. Developing a strategic approach to prioritizing and allocating resources to these activities could help ensure their sustainability in the longer term.

**Recommendation 2: Environment and Climate Change Canada and Global Affairs Canada should ensure that Canada has a coordinated and coherent approach to climate finance. In particular, both departments should:**

- **Ensure that their respective roles and responsibilities in the policy design, delivery, oversight and performance reporting of climate finance are clearly defined and coordinated**
- **Identify needs and opportunities to foster greater coordination among federal departments and agencies that have expertise in relation to climate finance**

During the evaluation period, ECCC was the lead for policy, reporting and communications while GAC implemented and managed the majority of the funds (that is, \$2.59 billion out of the \$2.65 billion). Increasing the coordination between the two departments would help maintain an effective approach to climate finance policy implementation, oversight, management and performance reporting. As well, other federal departments and agencies have expertise on climate change that could be relevant to the management of the climate finance portfolio, both from a domestic and an international perspective. In this context, opportunities exist for inter-departmental collaboration and to leverage the expertise of other federal government agencies. This could help ensure greater coherence in Canada's position and actions on climate finance.



## 1. Context

This report presents the results of the horizontal evaluation of the International Climate Change Cooperation (ICCC). The evaluation examined the overall relevance of the ICCC and its performance in terms of program design, delivery, governance, efficiency and the achievement of expected outcomes from April 2016 to December 2019.

Evaluation questions were addressed through a review of administrative data and program documents, as well as 58 key informant interviews and three case studies (See [Appendix A](#) for details).

### 1.1 Background on the International Climate Change Cooperation

The ICCC supports international engagement to advance Canada's climate change objectives (see [Appendix B](#) for the logic model and expected outcomes). These objectives are pursued through four activity streams that are co-delivered by Environment and Climate Change Canada (ECCC), Natural Resources Canada (NRCan) and Global Affairs Canada (GAC). The ICCC's activities were previously reported under the International Actions theme of the Clean Air Regulatory Agenda.

**Stream 1 - Negotiations and Participation:** This stream supports Canada's engagement under the United Nations Framework Convention on Climate Change (UNFCCC), including negotiations to finalize the implementation details of the Paris Agreement, as well as other technical discussions that guide and support how Parties implement the Agreement. It also supports high-level ministerial discussions at the annual Conference of the Parties (COP), to maintain political momentum and drive global climate action. As well, this stream of activity supports Canada's participation in complementary international forums such as the Clean Energy Ministerial (CEM). It provides the means to influence the global agenda on climate change and clean energy, promote Canada's interests and positions and allows for work with the international community to take meaningful actions on climate change and clean energy.

On behalf of Canada, ECCC is the lead for negotiations and participation in international climate change forums as well as the implementation of the Paris Agreement. NRCan is the lead on issues related to clean energy policy and technology, land use and forestry. NRCan also provides technical and policy expertise for Canadian delegations to other international climate change meetings and related partnerships.

**Stream 2 - International Climate Change Obligations:** Through this stream, Canada delivers on its international financial commitments.

- GAC provides membership dues to the UNFCCC, a legally binding international treaty.
- ECCC pays the membership contributions to the Inter-governmental Panel for Climate Change (IPCC), to support the development of the Panel's Assessment Reports on climate change science, its potential impacts and options for mitigation and adaptation.

- ECCC covers the membership contributions to the Inter-American Institute for Global Change Research, to build scientific capacity and collaborative research networks to inform climate change policy in the Americas and globally.
- ECCC supports the work required to implement the Paris Agreement.

**Stream 3 - North American Clean Energy and Environment Strategy:** This stream enables Canada to continue engaging with its North American partners in the context of expanded cooperation, through the North American Climate, Clean Energy and Environment Partnership as well as through other initiatives. These engagements include the following meetings, statements and memorandums of understanding (MOU):

- The November 2017 North American Ministerial
- The June 2016 North American Climate, Clean Energy and Environment Partnership
- The March 2016 United States-Canada Joint Statement on Climate, Energy and Arctic Leadership
- The February 2016 North American Memorandum of Understanding concerning Climate Change and Energy Collaboration
- The September 2014 United States-Canada MOU Concerning Energy Cooperation
- The annual Canada-Mexico Partnership Environment and Energy Working Group

ECCC provides leadership and coordination for Canada, while NRCan leads the technical aspects related to clean energy and energy efficiency. The funding enables ECCC and NRCan to work with the United States (U.S.), Mexico and other government departments to meet Canada's various commitments.

**Stream 4 – International Climate Finance:** In advance of the 2015 Paris Climate Conference (COP21), Canada announced a new five-year contribution of \$2.65 billion to help climate action, resilience and transition towards low-carbon economies in developing countries. This commitment contributes to the collective goal of donor countries to mobilize US\$100 billion per year from various sources by 2020.

ECCC is responsible for policy development, climate finance negotiations and reporting on Canada's climate finance to the UNFCCC and on other government commitments. GAC manages the delivery of the majority of the funding, of which about 70% are investments (in the form of unconditionally repayable contributions<sup>1</sup>) and about 30% are grants.

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<sup>1</sup> Unconditionally repayable contributions are climate financial instruments or finance investments for which the Government of Canada expects repayment.

## 1.2 Funding for the International Climate Change Cooperation

Budget 2016 provided \$61.4 million over five years to support the ICCC's Streams 1 to 3. Funding for the International Climate Finance stream (stream 4) was announced in 2015, with separate funding. Table 1 provides the breakdown of the five-year approved funding by streams and participating departments.

**Table 1: approved funding for the International Climate Change Cooperation, FY 2016 to 2017 to FY 2020 to 2021**

International Climate Change Cooperation Streams	Environment and Climate Change Canada	Natural Resources Canada	Global Affairs Canada	Total
1. Negotiations and Participation	\$27.3 million	\$9.3 million	None	\$36.6 million
2. International Climate Change Obligations	\$7.2 million	None	\$2.5 million	\$9.7 million
3. North American Clean Energy and Environment Strategy	\$4.6 million	\$10.5 million	None	\$15.1 million
<b>Sub-total (2016 budget funding)</b>	<b>\$39.1 million</b>	<b>\$19.8 million</b>	<b>\$2.5 million</b>	<b>\$61.4 million</b>
4. International Climate Finance	\$57.5 million	None	\$2.59 billion	\$2.65 billion
<b>Total - International Climate Change Cooperation</b>	<b>\$96.6 million</b>	<b>\$19.8 million</b>	<b>\$2.6 billion</b>	<b>\$2.7 billion</b>

## 2. Findings for all streams: relevance of International Climate Change Cooperation activities

**Findings:** Sustained and collaborative actions involving all levels of government and various sectors remain necessary to accelerate the path towards a low-carbon future. As well, during the evaluation period, there was a clear and demonstrated need for Canada's continued action to fight global climate change and to reduce greenhouse gas (GHG) emissions through diverse international cooperation efforts, especially the promotion of clean energy transition. Taking action in those areas remains a Government of Canada priority.

### 2.1 Federal role

The Government of Canada is responsible for exercising leadership on international issues and has the authority to negotiate, sign and ratify international treaties.<sup>2</sup> As such, it is the federal government's role to engage in international negotiations, promote Canada's interests internationally and undertake actions to meet international commitments.

<sup>2</sup> Authority granted under the [Constitution Act](#), 1867

During the period covered by the evaluation, the provinces and territories were active and engaged with the ICCC. Interviewees did not identify other programs that duplicate federal international climate change activities.

## 2.2 Continued need

Climate change has an impact on health, agriculture, economic, trade, transportation and energy infrastructure. A 2018 poll of 26 countries by the Pew Research Center confirmed that people around the world agreed that climate change poses a severe risk to their country.<sup>3</sup> In Canada's 13 provinces and territories, respondents identified climate change as the top international threat. This sentiment was echoed in a 2019 survey, which showed that 83% of Canadians were concerned about climate change.<sup>4</sup>

Given the interdependency of economies worldwide and that climate change is a global challenge, transnational cooperation is needed to set and drive an ambitious agenda to address climate change. For example, this involves the establishment of international agreements that assist in facilitating collective action in an effort to achieve common goals, secure national commitments and to support domestic actions. The Paris Agreement reaffirmed the obligations of developed countries to provide financial resources to assist developing countries in their efforts with respect to mitigation and adaptation. It also encouraged voluntary contributions by other Parties. The Agreement required all Parties to communicate and maintain mitigation efforts through nationally determined contributions (NDC) and to progressively strengthen these efforts in the years ahead. This includes requirements that all Parties report regularly on their emissions and on their implementation efforts. The Agreement also planned a global stock-taking every five years to assess the collective progress towards achieving the purpose of the Agreement and help Parties to update and enhance their individual efforts related to the Agreement.

Developing countries, particularly the poorest and most vulnerable, are the hardest hit by climate change. However, many have limited capacity to prevent and cope with its consequences.<sup>5</sup> The Inter-governmental Panel for Climate Change (IPCC) reported that international cooperation can strengthen the capacities of national and sub-national authorities to take climate actions. It referred to international cooperation as a “critical enabler” for developing countries and vulnerable regions. It stated that the majority of climate change modelling studies cannot construct pathways to successfully limit global warming to 1.5°C if there is a lack of international cooperation, and where there are strong inequalities.<sup>6</sup>

The IPCC report also noted that the energy sector is “the largest contributor to global greenhouse gas emissions” and that “the stabilization of GHG concentrations at low levels

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<sup>3</sup> [Climate Change Still Seen as the Top Global Threat, but Cyberattacks a Rising Concern](#), Pew Research Center, February 10, 2019

<sup>4</sup> [Will climate change be a ballot box question in 2019?](#), Abacus Data, March 27, 2019

<sup>5</sup> [Shock Waves: Managing the Impacts of Climate Change on Poverty](#), World Bank Group, 2016

<sup>6</sup> [Global Warming of 1.5 °C: Special Report](#), The International Panel on Climate Change, 2018

requires a fundamental transformation of the energy supply system.” Canada’s interests, as well as the success of global action to mitigate climate change, drove the need for cooperation around the clean energy transition. As such, clean energy and energy efficiency are fundamental elements of the fight against climate change.<sup>7</sup>

Interviewees agreed that there was a continued need for Canada to invest efforts into climate change negotiations. Interviewees noted that the coordination and mobilization of actors at all levels of government was essential since “no one nation can do it on their own”.

Given the magnitude of climate change, some internal and external interviewees identified a need for continued and enhanced engagement with provinces, territories and municipalities, as well as with various sectors (e.g., industry and the scientific community). They described a need for a coordinated and multipronged approach that combined advocacy, technical and financial support for the acceleration of a low-carbon future. A sustained and collaborative action at all levels of government and sectors was viewed as essential.

### 2.3 Alignment with government priorities

Acting on climate change through international cooperation was an important priority for the Government of Canada during the period examined by the evaluation. Related ICCC activities were listed in the 2015 mandate letters for the ministers for ECCC,<sup>8</sup> GAC (formally named Minister of International Development and La Francophonie Mandate Letter)<sup>9</sup> and NRCan<sup>10</sup>. As previously mentioned, in 2015, in advance of COP21<sup>11</sup>, the Prime Minister pledged \$2.65 billion to support climate actions in developing countries. Budget 2016 also identified the ICCC as a priority. It proposed funding to help meet international commitments<sup>12</sup> and to address global climate change.

In addition, the 2016-2019 Federal Sustainable Development Strategy<sup>13</sup> noted that “Canada would take a leading role in international agreements and initiatives on climate change through free trade agreements, interactions with key partner countries by implementing multilateral environmental agreements, and by participating in international forums such as the United Nations.” Similar commitments to continue supporting international efforts were also noted in the 2019-22 strategy.<sup>14</sup>

The Pan-Canadian Framework on Clean Growth and Climate Change (2016), although primarily domestically focused, included international leadership as a complementary priority to taking

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<sup>7</sup> [Nationally Self-Interested Climate Change Mitigation: A Unified Conceptual Framework](#), Working Paper, London School of Economics, July 13, 2015

<sup>8</sup> [Minister of Environment and Climate Change Mandate Letter](#), November 12, 2015

<sup>9</sup> [Minister of International Development and La Francophonie Mandate Letter](#), November 12, 2015

<sup>10</sup> [Minister of Natural Resources Mandate Letter](#), November 12, 2015

<sup>11</sup> [Backgrounder on Canada’s Climate Finance Commitment](#), Government of Canada, November 27, 2015

<sup>12</sup> [Budget 2016: Chapter 4 – A Clean Growth Economy](#), Government of Canada, March 22, 2016

<sup>13</sup> [Achieving a Sustainable Future: a Federal Sustainable Development Strategy for Canada, 2016 to 2019](#)

<sup>14</sup> [Achieving a Sustainable Future: a Federal Sustainable Development Strategy for Canada, 2019 to 2022](#), Government of Canada, 2019

action to reducing GHG emissions. The approach outlined in the framework focused on delivering Canada's international climate finance commitments, exploring the use of internationally transferred mitigation outcomes and engaging in trade and climate policy, with engagement with provinces and territories and with Indigenous peoples.<sup>15</sup>

### 3. Findings: Stream 1, Stream 2 and Stream 3

#### 3.1 Governance structure

**Findings:** There was no formal horizontal governance structure for the Negotiations and Participation (Stream 1), International Climate Change Obligations (Stream 2) and North American Clean Energy and Environment Strategy (Stream 3). However, most internal interviewees noted that the roles of participating departments were clear.

There was no formal overarching horizontal governance structure for the ICCC, but informal collaboration was established around some specific activities. For example, in the context of international climate change negotiations and UNFCCC engagement, it was recognized that the Head of Delegation (either the ECCC Minister or Canada's Chief Negotiator on Climate Change) was responsible for providing overall governance to the Canadian delegation. At the working and senior management levels, participating departments collaborated informally to share information and leverage technical expertise.

Although a governance structure was not formalized, most internal interviewees noted that the roles of departments were clear and that their activities reflected the respective mandates of each department. However, a few interviewees noted that there were no formal mechanisms to allow participating departments to provide input to inform ICCC's efforts.

#### 3.2 Activities delivered within and beyond the scope of the International Climate Change Cooperation

**Findings:** Canada conducted activities beyond the ICCC's initial scope and funding, to adapt to the changing and more complex landscape of international cooperation for climate change. In particular, Canada undertook a variety of complementary activities, not funded under the ICCC, to advance climate change objectives through free trade agreements and bilateral and multilateral collaborative partnerships.

While all internal interviewees agreed that the implementation of the ICCC had been aligned with its original objectives, activities in the area of negotiations, participation and North American engagement evolved in response to domestic and international changes. With the increased global attention on climate change and the need to include high-emitting sectors into the climate discussion, opportunities to foster cooperation with multiple stakeholders increased.

<sup>15</sup> [Pan-Canadian Framework on Clean Growth and Climate Change](#), Environment and climate Change Canada

As a result, the international climate change cooperation landscape became more complex with new needs emerging for multilateral and bilateral engagements.

Most representatives of participating departments interviewed indicated that a number of ICCC activities were not foreseen at the outset and went beyond the original scope, objectives and funding allocations of the ICCC. For example, Canada co-founded a number of forums to facilitate international and regional cooperation activities on climate change, including the Powering Past Coal Alliance, the multilateral Ministerial on Climate Action (MOCA), the North American Climate Leadership Dialogue and the International Energy Agency Clean Energy Transitions Programme. Canada hosted and participated in the Clean Energy Ministerial<sup>16</sup> and G20<sup>17</sup> and G7 events, activities and commitments, which went beyond the anticipated level of engagement. Some of these new engagements were supported through the reallocation of internal departmental resources.

Canada also negotiated increasingly ambitious environmental provisions in trade and other agreements.

- Canada committed to cooperating with trading partners within the Comprehensive and Progressive Agreement for Trans-Pacific Partnership<sup>18</sup> to address climate change and other global environmental challenges.
- The Comprehensive Economic and Trade Agreement<sup>19</sup> and Joint Interpretative Instrument<sup>20</sup> included a number of references to climate change, reflecting the importance that Canada and the European Union place on this issue. Through the adoption of a Recommendation on Trade, Climate Action and the Paris Agreement, Canada and the European Union reaffirmed their shared commitment to effectively implement the Paris Agreement through close cooperation and joint actions on climate change.

These trade and environmental agreement provisions are effective only to the extent they are actively monitored and implemented. According to key informants, implementing these agreements is resource intensive. It requires the organization of and participation in panels, committees and forums. For example, Canada and trading partners organized workshops and meetings on environmental issues of mutual interest, including climate change. These forums allowed for cross-national dialogue and learning, while providing Canada with an opportunity to reconcile climate and trade objectives.

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<sup>16</sup> While part of the activities of the Clean Energy Ministerial were funded under ICCC, hosting the CEM19 was not.

<sup>17</sup> G20 is a new activity since the establishment of the ICCC

<sup>18</sup> [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#), Government of Canada

<sup>19</sup> [Canada-European Union trade agreement benefits for small and medium-sized enterprises](#), Global Affairs Canada

<sup>20</sup> [Joint Interpretative Instrument on the Comprehensive Economic and Trade Agreement \(CETA\) between Canada & the European Union and its Member States](#), Global Affairs Canada website

Overall, evaluation data shows that Canada has implemented an increasingly ambitious environmental agenda in successive trade agreements. However, an effective implementation of these agreements required additional resources than what was planned under the ICCC.

In this context where the demand on the ICCC is increasing, many internal interviewees indicated that it would be necessary to develop a more strategic approach to prioritizing efforts. This would help mitigate the internal funding pressures that were present during the evaluation period. Some interviewees suggested several areas for improvement including:

- continuing to maximize opportunities within Canada's negotiations, bilateral engagement partnerships and climate finance to share Canadian experiences, tools and technology more broadly and effectively
- finding ways to increase private sector participation in addressing the impacts of climate change
- engaging in capacity building around climate monitoring, reporting and verification
- expanding international collaboration on emerging clean energy technologies, such as hydrogen or small nuclear reactors
- advancing the international model for carbon markets
- continuing to promote inclusion of gender and Indigenous perspectives in international forums

### 3.3 Results achieved

**Findings:** The ICCC streams 1 to 3 activities led to key accomplishments and progress towards the achievement of program expected outcomes. Among other things, participation in international cooperation and negotiations allowed Canada to surpass its targeted objectives and to promote the inclusion of the perspective of women, youth and Indigenous peoples in climate change and clean energy discussions. ICCC activities also supported ongoing cooperation at the North American level. During the evaluation period, Canada undertook a variety of technical capacity-building activities with developing countries and international organizations to strengthen policy, regulatory and scientific regimes in areas such as adaptation and resilience, clean energy and forest carbon. At the regional level, progress has been made towards achieving the goal of reaching 50% zero-carbon power generation in North America, reducing short-lived climate pollutants and implementing clean transportation and carbon pricing.

#### Achieving Canada's targeted objectives

Canada's international participation involved the provision of ICCC resources to support the country's contribution to the United Nations and other organizations. Financial data showed that Canada diligently made these payments, including its voluntary contributions to initiatives stemming from the Paris Agreement.



The ICCC also supported Canada's participation in various international forums. In this regard, the ICCC's performance data showed that 87% of high-level UNFCCC climate, clean technology and climate finance negotiating objectives were concluded in FY 2017 to 2018.<sup>21</sup> This allowed Canada to exceed its target of 70%.<sup>22</sup>

During the evaluation period, Canada made its contributions to initiatives stemming from the Paris Agreement and also undertook complementary activities that were not funded by the ICCC. Some key informants highlighted the ratification of the Paris Agreement and the adoption of the Paris Rulebook for implementation as key global achievements that were closely aligned with Canada's climate change negotiation objectives. Other noted achievements included:

- the creation of the Powering Past Coal Alliance<sup>23</sup>
- the adoption of the Kigali amendment to the Montreal Protocol and action on short-lived climate pollutants
- the creation of the Ministerial on Climate Action, co-convened by Canada, as a mechanism for maintaining ministerial-level climate dialogue since 2017
- hosting of the 10th Clean Energy Ministerial (CEM)/4th Mission Innovation Ministerial in 2019
- progress and prioritization of certain themes, such as carbon pricing, in international forums

Interviewees highlighted that engagement in the G7, the G20 and the Ministerial meetings on Climate Action were instrumental in promoting Canada's interests. For example, under the CEM in 2019, Canada successfully led the launch of two new multilateral initiatives to accelerate the deployment of hydrogen energy and flexible nuclear technologies (for example, small modular reactors).

Most literature and external interviewees confirmed Canada's leadership role within international forums, particularly through the UNFCCC, and the importance of the country's contribution in building and maintaining good relations with partners and opportunities for further cooperation. Overall, these interviewees regarded Canada highly for its negotiations approach and efforts. They described Canada's contribution as effective, flexible, organized, interdisciplinary, broad and meaningful.

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<sup>21</sup> This is the last year for which there is reporting on this indicator.

<sup>22</sup> The previous evaluation reported that in FY 2012 to 2013, on average, 81% of Canada's objectives were met across six streams of UNFCCC negotiations.

<sup>23</sup> The Powering Past Coal Alliance exceeded expectations with an unexpected and rapid increase in the number of member countries and non-country members. New research directions have been identified as a result of the sharing of international science and expertise.

## Inclusion of the perspective of women, youth and Indigenous peoples in climate change and clean energy discussions

Canada has worked to create a greater momentum and to promote inclusiveness, gender equality and the participation of youth and Indigenous peoples in climate actions. The document review and both internal and external key informants showed that Canada advanced inclusive climate change cooperation in the following ways.

- Canada was a key player in the adoption of the first and second UNFCCC Gender Action Plans.
- In 2018, the China Council for International Cooperation on Environment and Development adopted a gender mainstreaming policy. This initiative was advanced through the efforts of Canadian officials.
- Canada championed the operationalization of the Local Communities and Indigenous Peoples' Platform.<sup>24</sup> This body was created to exchange experiences and best practices on climate change mitigation and adaptation, to strengthen knowledge, technologies, practices and efforts of local communities and Indigenous peoples in addressing and responding to climate change.
- The Clean Energy Education and Empowerment (C3E) Initiative was launched at the first CEM in 2010 to advance women's participation in the clean energy sector. To increase its international reach, the C3E was relaunched in 2017 as a joint initiative of CEM and the International Energy Agency. At the time of the evaluation, C3E was co-led by Canada, Sweden and Italy. Canada chaired the Executive Committee and actively participated in all work-streams of the initiative.
- Canada championed the Equal by 30 Campaign, which aimed to achieve equal pay, equal leadership and equal opportunities for women in the energy sector by 2030. At the time of the evaluation, this initiative was led by both Canada and Sweden.
- Through the Canada-France Climate and Environment Partnership, two workshops were held to help train female negotiators from developing countries. Held in Senegal in 2018 and in Rwanda in 2019, these workshops aimed to build capacity and knowledge as well as female empowerment.
- Canada funded the participation of Indigenous and youth representatives at sessions of the UNFCCC, including the annual COP and intersessional meetings. This included the accreditation of a number of representatives on Canada's delegation, which provided them with greater access to formal discussions and other engagement opportunities.

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<sup>24</sup> The Local Communities and Indigenous People's Platform was launched in 2015 and operationalized in 2017. Its governing body was created in 2018.

## Support for ongoing cooperation at the North American level

Progress on North American climate and clean energy initiatives continued as a result of ICCC activities. These activities supported work with the U.S. Department of Energy on low carbon energy (particularly renewable energy), carbon capture and storage and nuclear technology. Moreover, cooperation on climate change with several U.S. states proceeded under the auspices of the North American Climate Leadership Dialogue.

In 2017, in an effort to accelerate climate policy efforts across North America, Canada, Mexico and the United States Climate Alliance launched the North American Climate Leadership Dialogue at COP23. That same year, Ministers of Energy from Canada, the United States and Mexico convened a North America Energy Ministerial to lay the foundation for trilateral energy cooperation, including low-carbon energy sources such as renewables, nuclear and carbon capture storage and technologies. The ministers met again in 2018 and 2019 to discuss progress and potential themes for renewed collaboration. In 2018, the parties identified a short list of topics to be addressed and reaffirmed some of their commitments made at the North American Leaders' Summit (for example, to work towards the goal of 50% zero-carbon power generation by 2025).

## Increasing climate resilience in developing countries

As noted in the literature and by several interviewees, it is increasingly recognized that investments in institutional capacity building and strong regulatory and policy-enabling environments are essential for laying the groundwork for climate adaptation, resilience and sustainability in developing countries.

Under the ICCC's Negotiations and Participation Stream, NRCan technical experts provided guidance to countries in a number of areas such as aspects of forest management, including reporting on and accounting for forest carbon<sup>25</sup>. Moreover, NRCan offered technical support through a variety of channels related to renewables, energy efficiency, low-carbon fuels and zero-emission vehicles. Through the UNFCCC's Least Developed Countries Expert Group, NRCan provided technical guidance and support to least developed countries for the development and implementation of effective adaptation planning processes, including National Adaptation Plans.

Through the CEM/Mission Innovation and CEM's Clean Energy Solutions Centre, Canada shared clean energy policies and tools for energy management. A number of these, such as NRCan's RETScreen Expert Clean Energy Management Software tool, have been translated into multiple languages and used by many countries. Some internal key informants noted that while not covered by the ICCC, NRCan's participation in the International Energy Agency's Clean Energy Transitions Programme, in partnership with the International Energy Agency, supported accelerated energy transition in key emerging economies. There was also an

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<sup>25</sup> An example of this is the Carbon Budget Model software developed by the Canadian Forest Service, which allows countries to calculate project carbon stocks based on their local forest management. They can model the impact of changes in management practices on carbon.

increasing demand for technical assistance, through a multitude of international forums (for example, G20, G7, International Renewable Energy Agency, Asia-Pacific Economic Cooperation). In addition, Canada provided climate science advice and data to international climate-related partnerships (for example, Arctic Council, UNFCCC and Climate and Clean Air Coalition).

### Progress towards GHG reduction

The documents reviewed and all internal interviewees involved in North American cooperation noted that the North America Leaders Summit initiatives were completed over the evaluation period. Progress was also made towards achieving the goal of reaching 50% zero-carbon power generation in North America, reducing short-lived climate pollutants and implementing clean transportation and carbon pricing.

- **Clean Power:** At the time of the evaluation, Canada's zero-carbon power generation was at 82%. Partners continued to move forward on the Powering Past Coal Alliance, which included nearly 100 members at the time of writing this report.
- **Clean Transportation:** In June 2019, California and Canada signed a MOU to advance improvements in vehicle efficiency, clean vehicles and low-carbon fuel standards.
- **North American Renewable Integration Study:** This joint activity between NRCan, the United States Department of Energy and the Mexican Secretariat of Energy analyzed pathways to modernize the North American power system through the efficient planning of transmission, generation and demand. The largest geographic study of its kind, this project explored the potential to increase the use of clean power across the continent.
- **Short-Lived climate pollutants reduction:** Canada continued to lead in short-lived climate pollutants reductions through the implementation of the National Short-Lived Climate Pollutants Strategy, as well as sector specific regulatory initiatives (for example, 2018 methane regulations for the upstream oil and gas sector), and by playing a different governance function on the Climate and Clean Air Coalition Steering Committee.

Several internal key informants mentioned other North American collaborations that have advanced GHG reduction goals.

- The Commission for Environmental Cooperation worked on a trilateral work plan for reducing methane emissions. They also worked on trilateral partnerships on innovation in green growth and preparedness, on resilience to extreme events in North America and on monitoring the atmosphere and climate.
- The Declaration on Carbon Pricing in the Americas allowed member jurisdictions to make progress on carbon pricing and develop efforts to align or link their respective carbon pricing policies.

Internal interviewees noted that given the highly integrated nature of the North American energy systems and economies, progress on clean energy will require sustained regional engagement and cooperation.

Canada participated in numerous multilateral initiatives and bilateral agreements with the goal of reducing GHG emissions such as the Montreal Protocol, the Kigali Amendment to phase out hydrofluorocarbons, the North American Climate Leadership Dialogue and the Climate Technology Centre and Network. However, due to a lack of data, it was not possible to estimate the direct impact of Canada's engagement on global GHG emissions reductions.

## 4. Findings for Stream 4

### 4.1 Governance structure

**Findings:** Roles and responsibilities for climate finance were divided between ECCC, which was responsible for policy, reporting and communications, and GAC, which was responsible for managing the majority of the funds. Some interviewees felt that improving the coordination between both departments could support a more effective approach to the delivery and oversight of these activities. As well, other federal departments and agencies have expertise on climate change that would be relevant to the management of the climate finance envelope. In this context, several interviewees identified a need for greater coherence in Canada's approach to climate finance. They also identified an opportunity to increase coordination at the federal level and to leverage expertise from other departments and agencies.

Canada's climate finance envelope is co-managed by ECCC and GAC. During the evaluation period, ECCC was the lead for policy, reporting and communications, while GAC managed the disbursement of the majority of the funds (that is, \$2.59 billion of the total \$2.65 billion budget). In this regard, some interviewees felt that coordination between ECCC and GAC could be bolstered in an effort to develop a more effective approach to climate finance policy implementation, oversight, management and performance reporting. In addition, some interviewees raised concerns about adequate resourcing at GAC in the beginning of the \$2.65B commitment, including the number of staff and building the right mix of skills and expertise. The initial focus emphasized maintaining and building the financial capacity to deliver investments. Less attention was placed on building the technical expertise to provide advice and guidance on the climate change dimensions of projects.

Other federal departments and agencies play an active role in the international climate change space and/or disburse climate finance funding that complements the \$2.65 billion commitment, notably those groups under Streams 1-3 of the ICC. Other institutions, including FinDev, Export Development Canada and, provincial government and municipalities also disbursed funding that has been reported in Canada's Fourth Biennial report<sup>26</sup>. Also, for example, in 2019, Export Development Canada committed to integrating climate change considerations into

<sup>26</sup> Fourth Biennial Report (BR4): [1687459 Canada-BR4-1-Canada's Fourth Biennial Report on Climate Change 2019.pdf \(unfccc.int\)](https://www.unfccc.int/documents/1687459/Canada-BR4-1-Canada's+Fourth+Biennial+Report+on+Climate+Change+2019.pdf)

business decisions and to contributing to a sustainable economy. In this context, several interviewees, both internal and external, suggested a need for greater coherence in Canada's position and action towards climate finance. They noted that opportunities exist for inter-departmental collaboration and for leveraging the expertise of other federal government agencies.

## 4.2 Delivery of climate finance

**Findings:** As of March 2019, Canada disbursed \$1.24 billion of the \$2.65 billion commitment in climate finance. GAC and ECCC were on track to disburse the remainder of the funds, in line with the established financial profile.

Funding from the \$2.65 billion commitment aims to:

- Support the reduction of GHG emissions through mitigation projects
- Provide support to the poorest and most vulnerable countries through adaptation projects
- Mobilize private sector resources for climate action
- Support to UNFCCC institutions and financial mechanisms align with sustainable development goals

Canada's delivery mechanisms included:

- contribution to UNFCCC funds such as the Green Climate Fund and Global Environment Facility, which provide co-financing or grants to climate change projects
- contribution to Multilateral Development Banks that provide financial assistance in the form of investments and grants
- Canadian climate funds for the private sector, to provide concessional financing<sup>27</sup> to projects using the investments-based component of the envelope
- a combination of other grants and investments, using bilateral climate or development agreements and contributions

During the evaluation period, Canada's climate finance envelope primarily focused on investments to leverage private and public resources. As per internal documents, Canada's climate finance funding was divided as approximately 70% investments and 30% grants and non-repayable contributions. This composition was comparable to an OECD estimate that approximately 60% of climate finance mobilized by developed countries between 2013 and 2017 was in the form of investments.<sup>28</sup>

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<sup>27</sup> This is financing in the form of loans that are extended on terms substantially more generous than what would be offered by private market loans.

<sup>28</sup> [Climate Finance Provided and Mobilised by Developed Countries in 2013-17](#). September 2019. Organisation for Economic Co-operation and Development.

Views on the benefits and limitations of using investments or grants as financial mechanisms were mixed. For example, some interviewees noted that Canada's focus on investments helped to define the parameters for the design of concessional financing while leveraging partners' technical expertise, pipeline of projects and networks to unlock co-financing. On the other hand, some non-government organizations advocated for funds to be allocated through grants rather than investments in order to encourage the participation of more small and medium-sized enterprises.<sup>29 30</sup>

Canada's focus on concessional financing was largely modelled after the 2010-2013 Fast-Start climate finance approach. In this context, multilateral funding mechanisms dominated the partner mix and investments had a strong focus on leveraging private sector finance and reducing GHG emissions. Overall, Canada's climate finance approach of using investments and grants was aligned with the practices of developed countries like France, Germany and Japan.

At the time of the evaluation, Canada had disbursed the majority of its climate finance envelope through multilateral channels and a smaller portion through bilateral channels. As of March 2019, it had disbursed \$1.24 billion, which is about 47% of its total climate finance envelope, to help developing countries transition to low carbon economies and to build climate resilience. As such, Canada is on track with its planned disbursements. As of March 31, 2019, Canada provided about 85% of the funding to multilateral climate funds and development banks, including the Green Climate Fund and Multilateral Development Banks. The remaining 15% was distributed to country recipients through bilateral channels and mechanisms.

According to a number of internal key informants, bilateral climate finance projects have contributed to the development of outputs that have the potential for replication beyond recipient countries. These include the use of regional hubs to facilitate the transfer of learnings and products such as tools, legislative or regulatory templates across countries.

Given the funding parameters of the \$2.65 billion envelope, Canada relied primarily on trusted multilateral partners to disburse the majority of its climate finance funds and it was difficult to engage with other types of partners. The Standing Committee on Environment and Sustainable Development recommended that Canada diversify its climate funding sources, focusing less on private sector funding (in part due to their limited focus on adaptation projects) and more on Canadian non-governmental organizations and local civil society organizations.<sup>31</sup>

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<sup>29</sup> [Clean Growth and Climate Change: How Canada Can Lead Internationally](#). Report of the Standing Committee on Environment and Sustainable Development. April 2019.

<sup>30</sup> [International Development and Environmental Organizations Call Canada's Green Climate Fund Commitment Welcome, But Insufficient](#). Climate Action Network. August 27, 2019.

<sup>31</sup> [Clean Growth and Climate Change: How Canada can lead internationally](#), Report of the Standing Committee on Environment and Sustainable Development, April 2019

### 4.3 Results achieved under the global climate finance envelope

The following section discusses progress made under the global climate finance envelope delivered by both GAC and ECCC to achieve expected outcomes. Results specifically achieved by ECCC were also examined in this evaluation. Those are discussed in section 4.4.

**Findings:** The ICCC achieved its direct expected outcome to initiate both adaptation and mitigation projects. It also made progress towards achieving its expected outcomes of leveraging investments from the private sector, increasing climate resilience in developing countries and meeting its GHG reduction target. Moreover, progress was made during the evaluation period to integrate the perspectives of women, youth and Indigenous peoples into Canada's climate finance. However, more work remains to be done in this area.

#### Initiation of adaptation and mitigation projects

Canada's climate finance portfolio funded a mix of mitigation and adaptation projects. Adaptation projects aim to allow developing countries, particularly small island developing states, fragile states, and least developed countries to protect themselves against the effects of climate change.<sup>32</sup>

As of March 2019, funding for adaptation projects represented 20% and cross-cutting projects represented 44% of the climate finance portfolio. Remaining funding focused on mitigation projects. Canada's contributions to adaptation have increased over time, since climate change adaptation has emerged as an urgent priority for many countries.

Calls have been made domestically and internationally to increase the proportion of funding granted to adaptation projects. For example, in 2019, the House of Commons Standing Committee on the Environment and Sustainable Development proposed a 1:1 ratio of mitigation to adaptation projects<sup>33</sup>. Similar targets were used in other countries such as the United Kingdom. Similarly, the UNFCCC has urged countries to scale up their adaptation project funding. The Paris Agreement also stated that scaled-up financial resources should aim to achieve a balance between adaptation and mitigation. Canadian non-governmental organizations advocated that at least 50% of funds be allocated towards adaptation programming, to provide support to the poorest and most vulnerable who are already experiencing the effects of climate change.<sup>34</sup> In an important proportion, the financial instruments at disposal made it difficult to support the implementation of adaptation projects.

#### Leveraging of private sector investment

<sup>32</sup> [May 2016 Climate Finance Update: Calls for Adaptation Funding, Attention to Climate Risk](#), SDG Knowledge Hub, accessed on April 15, 2021

<sup>33</sup> [Clean Growth and Climate Change: How Canada can lead internationally](#), Report of the Standing Committee on Environment and Sustainable Development, April 2019

<sup>34</sup> [International Development And Environmental Organizations Call Canada's Green Climate Fund Commitment Welcome, But Insufficient](#), Climate Action Network Canada, article accessed on April 15, 2019



The public sector cannot address climate change on its own. An objective of Canada's climate finance, therefore, was to leverage private resources. Canada's financing has primarily been in the form of concessional investments, which leveraged private contributions using facilities, such as those established within multilateral development banks and multilateral climate funds.

Using the OECD-Development Assistance Committee approach, Canada reported that its public investment of US\$213 million leveraged about US\$309 million in private funding for climate-related activities in developing countries in 2017 and 2018. A few internal interviewees indicated that most of the amount was from the previous Fast Start Financing investments made between 2010 and 2013. This data suggests that a relatively long timeframe is necessary to start seeing how climate finance investments materialize.

### **Increasing climate resilience in developing countries**

Canada supported climate resilience by funding adaptation projects through numerous bilateral projects that were largely located in Sub-Saharan Africa and the Caribbean. These activities most commonly targeted the agricultural sector. Internal documents showed that such projects contributed to:

- improved land use
- greater access to climate insurance for vulnerable countries to support rebuilding efforts following natural disasters
- increased knowledge and skills

Performance reporting showed that the number of people benefitting from Canadian-funded adaptation projects have increased each year. As of March 31, 2019, it was expected that these projects will increase climate resilience for 4.6 million people. According to this figure, Canada is on track to meet its target of reaching at least 10 million people by 2030. However, all projects had difficulty reporting against adaptation outcomes, such as improved climate resilience or targets indicating the number of people to be reached. A lack of clear definitions and articulation of results pathways, including how adaptation activities were addressing the additional effects of climate change, made it hard to collect reliable data and to roll up results across projects.

Apart from bilateral efforts, Canada's climate finance supported developing countries in advancing effective adaptation planning via the UNFCCC's National Adaptation Plan process. As a key donor to the National Adaptation Plans Global Network, Canada provided in-country technical support, as well as peer learning and knowledge exchanges. These activities helped developing countries in building their capacity to plan, develop and implement gender-responsive National Adaptation Plans.

### **Progress towards achieving GHG reduction targets**

One target of the climate finance envelope is to reduce GHG emissions by at least 200 Mt. Mitigation projects (for example, renewable energy initiatives to reduce GHG emissions) providing support mainly in middle-income countries and emerging economies, contributed to

this objective. As of March 31, 2019, it was estimated that Canada's climate finance projects are expected to generate 176 Mt of GHG reductions. This suggests that Canada is on track to achieve its target.

Mitigation projects take several years to achieve end results and to measure greenhouse gas emissions reductions. As of 2019, few actual mitigation results had materialized due to their early stages of implementation and the time required to finalize agreements on investments. For example, in the renewable energy sector, after contracts are negotiated it can still take several years for plants and facilities to be built and become operational.

### **Inclusion of the perspective of women, youth and Indigenous peoples in climate finance**

The Feminist International Assistance Policy<sup>35</sup> requires all partners to improve their gender focus from one of gender mainstreaming to gender integration and the empowerment of women and girls. Due to the timing of the release of this policy, few climate adaptation projects funded prior to 2017 promoted gender equity or had a primary purpose to support gender equality.<sup>36</sup> Efforts to integrate GBA+ considerations have since been strengthened. At COP23, the federal government supported the adoption and implementation of a Gender Action Plan that “supports women’s participation in decision making and gender responsive policy development” and the inclusion of a gender perspective in all elements of global climate action. Nevertheless, operationalizing the women’s empowerment message within the climate space was challenging. Partners requested more clarity on what was needed for greater gender integration and the empowerment of women. Bilateral development projects had a stronger emphasis on gender equality, especially in adaptation-focused areas such as agriculture. Multilateral partners noted significant challenges to fully integrating gender into climate change mitigation projects, particularly in renewable energy-focused projects. However, opportunities for synergies across projects may have been missed. For example, some interviewees noted the potential for bilateral women’s empowerment projects, to better align with building the employment and leadership skills needed for renewable energy projects.

## **4.4 Results achieved under ECCC’s climate finance funding**

**Findings:** At the time of the evaluation, ECCC had distributed the majority of its climate finance funds. The investments in short-lived climate pollutants (SLCP) were viewed as highly effective and regarded as success stories for Canada.

ECCC’s climate finance fund (that is, \$57.5 million) was in the form of grants or non-repayable contributions. As of March 2019, \$36.3 million of the \$57.5 million had been disbursed, representing about 63% of the allocated funds. ECCC was on track to disburse the remainder of the funds by the end of the approved fiscal profile.

<sup>35</sup> [Canada's Feminist International Assistance Policy](#), Government of Canada Web page accessed on April 15, 2021.

<sup>36</sup> [Equality Fund 2020-2021 Annual Report](#). Equality Fund.

Addressing SLCPs<sup>37</sup> is critical to keeping the increase in the global average temperature well below 2 degrees Celsius and aiming for 1.5 degrees Celsius.<sup>38</sup> Several interviewees noted that Canada's investments in SLCPs were concrete, often low-cost and could be rapidly implemented, which made them highly effective. They viewed Canada as a catalyst for leveraging regional hubs and networks, providing country-driven building capacity and supporting the replication of tools and approaches to reduce the emissions from SLCPs in the fight to tackle climate change. See [Appendix C](#) for success stories related to SLCPs.

## 5. Conclusions, recommendations and management response

### 5.1 Conclusions

This evaluation found that the ICCC was relevant. During the period examined, there was a clear and demonstrated need for Canada's continued action to fight global climate change through diverse international cooperation efforts. Progress was made towards achieving the ICCC's expected objectives and outcomes. In particular, achievements were made in reducing GHG emissions and in improving climate resilience, as well as promoting gender equality and the participation of Indigenous peoples and youth.

The current ICCC design and governance have led to the achievement of objectives. However, the evaluation identified some areas for improvement that could be used to inform future program design and delivery. Evidence also suggests that a more diversified approach to climate finance and an increase in adaptation ratios should be considered.

### 5.2 Recommendations and management response

The first recommendation is addressed to ECCC and NRCan while the second one is addressed to ECCC and GAC.

**Recommendation 1: Environment and Climate Change Canada and Natural Resources Canada should develop a strategic approach to prioritizing and allocating resources to cooperation and negotiation activities.**

As a result of enhanced expectations related to addressing climate change, ECCC and NRCan have undertaken a number of activities in relation to international negotiations and cooperation that were not originally foreseen. While both departments were able to conduct some of these additional activities by reallocating existing departmental resources, these additional activities have generated pressure on departmental resources. Developing a strategic approach to prioritizing and allocating resources to these activities could help ensure their sustainability in the longer term.

<sup>37</sup> \$35million was allocated to SLCP activities.

<sup>38</sup> [About the Climate and Clean Air Coalition](#), Climate and Clean Air Coalition.

<b>Statement of agreement or disagreement</b>
<p>The ADM, International Affairs at ECCC agrees with the recommendation.</p> <p>The ADM, Low-Carbon Energy Sector and ADM, Canadian Forest Service at NRCan agree with the recommendation.</p>
<b>Management response</b>
<p>Clean energy policy, clean technologies, nature-based solutions, trade policy, and land-use issues have become prominent areas of discussion in international climate change forums. As such, NRCan provides critical technical and policy expertise to support Canadian delegations in international climate change and environmental initiatives (for example, the Paris Agreement, the G7, and the G20). Similarly, NRCan consults ECCC as climate discussions have permeated negotiations where NRCan leads for Canada, including multilateral energy negotiations, land use and forestry negotiations, and bilateral natural resource agreements with key trading partners. This includes, for example, engaging ECCC in advance of the International Energy Agency's Net Zero Summit and Clean Energy Transitions ministerial, the Clean Energy and Mission Innovation ministerials and G7/G20 Energy ministerials.</p> <p>Collaboration between the two departments is essential due to the interdependence of climate and natural resource issues. Noting the nexus between climate change and energy, the departments have had to increasingly collaborate on senior officials meetings and ministerial communiqués. ECCC engages NRCan in advance of international negotiations or external discussions with partners and stakeholders. By regularly exchanging views in advance of negotiations, the departments support an emerging collective understanding of the role Canada can play to advance issues of mutual interest. ECCC and NRCan have also established collaboration on issues such as Indigenous consultations, hydrogen technologies, and participation in natural resources based projects and sustainable practices in the extractive industry with working groups and partners in the Americas and the European Union. At the senior level, Deputy Ministers from ECCC and NRCan now meet regularly at ECCC-NRCan Joint Management Meetings to discuss issues of mutual interest. While the focus of these meetings is not exclusively on international affairs, the meetings provide an avenue for interdepartmental coordination and strategic decision-making on issues related to international cooperation on climate change.</p> <p>Moving forward, the departments must coordinate on new activities, such as implementing commitments under the Canada-U.S. Roadmap and the next round of climate finance, and continue to improve coordination on existing and emerging climate initiatives building on the collaborative foundation of the Strengthened Climate Plan, including through collaboration with various ECCC-NRCan international advisory bodies and working groups. ECCC and NRCan will continue to work together, including through the Joint Management Meetings, to identify and address international climate activities that necessitate enhanced coordination between the two departments. This will allow the departments to identify areas of cooperation, prioritize upcoming deliverables, and allocate appropriate resources to achieve Government of Canada objectives.</p>

<p>NRCan will assess its current responsibilities for international climate change collaboration. The assessment will cover what is currently linked to the departmental mandate and where the department's expertise is most sought after by international organizations and other federal departments. The results of the assessment will allow the department to develop a strategic approach for the prioritization and allocation of resources needed to support international climate change engagement activities.</p>		
Deliverables	Deliverables	Deliverables
<p>Develop a work plan of international climate activities that require cooperation between ECCC and NRCan, taking into account the works of ECCC-NRCan international advisory bodies and working groups, which will support decision-making with respect to prioritization and resource allocation.</p>	<p>October 2021</p>	<p>ADM, International Affairs, ECCC</p>
<p>Assessment of current and expected international climate collaboration obligations and opportunities as well as their associated resource requirements, and recommendations on strategic prioritization and resource allocation, in the context of a departmental engagement strategy.</p>	<p>April 2022</p>	<p>ADM, Strategic Policy and Innovation, NRCan</p>

### Recommendation 2:

**Environment and Climate Change Canada and Global Affairs Canada should ensure that Canada has a coordinated and coherent approach to climate finance. In particular, both departments should:**

- **Ensure that their respective roles and responsibilities in the policy design, delivery, oversight and performance reporting of climate finance are clearly defined and coordinated.**
- **Identify needs and opportunities to foster greater coordination among federal departments and agencies that have expertise in relation with climate finance.**

During the evaluation period, ECCC was the lead for policy, reporting and communications while GAC implemented and managed the majority of the funds (that is, \$2.59 billion out of the \$2.65 billion). Increasing the coordination between both departments would help maintain an effective approach to climate finance policy implementation, oversight, management and performance reporting. As well, other federal departments and agencies have expertise on climate change that could be of relevance to the management of the climate finance portfolio.

<p>In this context, opportunities exist for inter-departmental collaboration and the leveraging of other federal government agencies expertise. This could help ensure greater coherence in Canada's position and action towards climate finance.</p>		
<p><b>Statement of agreement or disagreement</b></p>		
<p>The ADMs of ECCC International Affairs Branch and GAC Global Issues and Development Branch agree with the recommendation.</p>		
<p><b>Management response</b></p>		
<p>As GAC and ECCC worked together to implement and deliver on the Government of Canada's \$2.65 billion climate finance commitment, they have put in place collaborative ways of working and regular communication channels at various levels of the respective organizations. Having fully delivered on this commitment, ECCC and GAC will continue their ongoing collaboration on the policy design, delivery, oversight and performance reporting of climate finance. The two departments will build on the lessons learned from the implementation of the \$2.65 billion commitment and have already begun work to define roles more clearly for the implementation of any future climate finance contribution, including by formalizing outreach and engagement with key federal organizations. The division of roles and responsibilities will be based on each department's mandates, expertise and ability to deliver on priorities.</p> <p>ECCC and GAC will establish a formal governance structure, in the form of interdepartmental committees, to oversee the effective implementation of Canada's climate finance commitments. Other federal departments and agencies that have expertise and knowledge on tackling the climate crisis internationally, including Natural Resources Canada, Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Innovation, Science and Economic Development Canada and Finance Canada, will be engaged and represented on these committees. This will ensure a whole-of-government approach and will foster greater coordination among federal departments and agencies.</p>		
<p><b>Deliverables</b></p>	<p><b>Timeline</b></p>	<p><b>Responsible party</b></p>
<p>ECCC and GAC to develop the governance structure of interdepartmental committees including the approval of a Terms of Reference, that indicates regular, ongoing meetings</p>	<p>March 31, 2022</p>	<p>ADM, International Affairs Branch, ECCC</p> <p>ADM, Global Issues and Development, GAC</p>

## Appendix A: evaluation scope, methodology and limitations

### Scope

The evaluation examined issues related to the overall relevance of ICCC and its performance in terms of program design and delivery, governance, efficiency. The evaluation also applied a gender-based analysis (GBA+) lens, through interviews and case studies, to determine how ICCC activities have helped advance international actions to limit the impacts of climate change on vulnerable populations, particularly women who are most vulnerable to climate change in many developing countries.

In addition, the evaluation put a particular focus on the following elements:

- **Complementary activities** that were not part of ICCC's funding allocations but contributed to the achievement of ICCC results, for example, bilateral affairs, trade agreements
- **Crosscutting areas** to help inform senior management decision making on ICCC delivery, results and reporting, for example, ICCC integration and co-management among departments, adaptation to changing political and international environments
- **Global Affairs Canada's portion of the climate finance envelope**, to provide a more complete picture on Canada's climate finance stream

### Approach and methodology

The evaluation used multiple lines of evidence, including:

- **Document review:** review of publicly available and internal documents from the three participating departments
- **Administrative data review:** review of departmental financial and performance data over the evaluation period
- **Key informant interviews:** 58 interviews (34 internal and 24 external) with program management and staff, federal partners, provincial and territorial, domestic and international stakeholders and partners
- **Case studies:** Three case studies were conducted to support evaluation findings. Each study was supported by a combination of document review, literature review and interviews with up to five key informants. The three case studies were:
  - Climate and Clean Air Coalition, a multilateral initiative under climate finance
  - Inclusive ICCC (GBA+), focusing on negotiations and climate finance
  - Process for developing environmental provisions in trade agreements, an example of complementary activities to support ICCC objectives

## Challenges and limitations

The evaluation encountered some limitations in relation to data availability and results, which are common challenges in conducting evaluations.

First, there were limited sources of data available to assess program outcomes in a quantitative manner. For instance, it was not possible to determine the cost of specific outputs and outcomes in relation to engagement with multilateral organizations. As well, it was challenging to distinguish between climate finance funding leveraged from the private sector and funding obtained from other sources.<sup>39</sup> The consistent tagging of climate projects was also often complicated by the diversity of activities and sectors. To mitigate this challenge, program outcomes and other questions related to program efficiency were assessed qualitatively through interviews and document review.

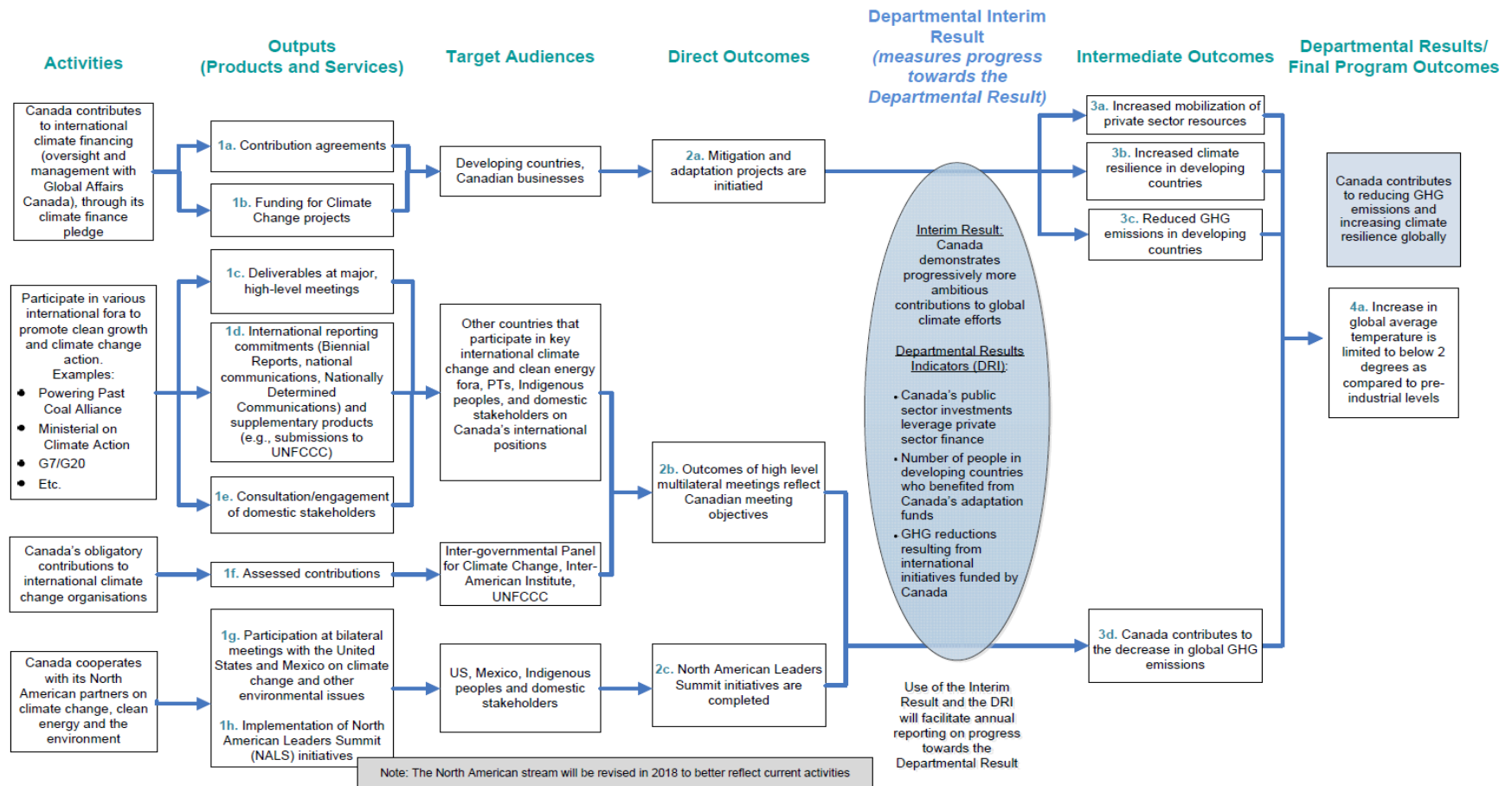
Second, given the timing of the evaluation, it proved to be a challenge to measure since it was too early to observe results. For instance, results in relation to climate resilience take an extended period of time to be realized. To mitigate this challenge, the evaluation used qualitative evidence, where relevant, to illustrate results or the expected magnitude of possible results.

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<sup>39</sup> Canada is working, with other OECD donor countries, through the Development Assistance Committee and OECD Research Collaborative for Tracking Finance for Climate Action, to refine quantification methodologies and establish an international standard for measuring and reporting on publicly mobilized private finance.



## Appendix B: International Climate Change Cooperation logic model



## Appendix C: success stories regarding short-lived climate pollutants

Based on interviews and a case study conducted for this evaluation (see Appendix A for details), two specific areas under short-lived climate pollutants (SLCP) were regarded as success stories. The first was Canada's contribution and leadership through the Climate and Clean Air Coalition (CCAC), a voluntary international organization to reduce the emissions of short-lived climate pollutants (SLCPs) such as black carbon, methane, and some hydrofluorocarbons (HFCs). As a founder, Canada has been an active partner since inception in 2012.

The CCAC's five-year plan (2015 to 2020)<sup>40</sup> outlined the Coalition's intent to catalyze ambitious action, mobilize robust support, leverage finance at scale and enhance science and knowledge. Canada was the organization's top donor with \$23 million pledged from 2012 to 2022. Of this amount, \$13 million was provided under the Fast-Start Finance programming in FY 2012 to 2013 and \$10 million was allocated from the \$2.65 billion International Climate Finance commitment<sup>41</sup> starting in FY 2016 to 2017.

Based on a document review and interviews, the CCAC achieved significant results since its launch:

- The profile of SLCPs has been elevated in various international forums including at all UNFCCC Conferences of the Parties (COP) since 2012; and at major events including the California Global Climate Action Summit in San Francisco (2018).
- The CCAC played a significant role in promoting the Kigali Amendment to the Montreal Protocol, contributing to the eventual adoption of the Amendment, which entered into force in January 2019.
- In 2018, the Scientific Advisory Panel of the CCAC provided insight to the Intergovernmental Panel on Climate Change of the importance of SLCPs to achieve the goals of the Paris Agreement.
- The CCAC 2018 to 2019 Annual Report indicated that 36 laws and regulations (in 25 countries) and 120 new policies and plans for SLCP reduction have been supported since 2012.

The second success story is Canada's activities to bilaterally support the implementation of nationally determined contributions (NDCs) in selected countries.

- One of ECCC's investment included \$4.9 million allocated to support capacity building in Mexico's oil and gas sector. The specific objective was the development of tools to help decision makers in Mexico identify SLCPs and greenhouse gases (GHGs) mitigation

<sup>40</sup> [Climate and Clean Air Coalition Five-Year Strategic Plan](#), Climate and Clean Air Coalition, 2015

<sup>41</sup> [ECCC Web page on Climate and Clean Air Coalition](#), accessed April 15, 2021

strategies and prioritize resources for NDC implementation. These tools include the development of a techno-economic analysis tool designed to assess the impacts and cost effectiveness of mitigation strategies to reduce emissions of SLCPs and GHGs in Mexico's oil and gas sector with a strong focus on methane, black carbon and other criteria air contaminants (CAC) from flaring.