

EMBARGOED UNTIL 6AM ET 9 APRIL 2024

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### **New report: Canada still top in G20 for public finance for fossil fuels**

- Plans still missing for Government of Canada promise to end these public handouts by the end of 2024
- From 2020 - 2022 support for fossil fuels from G20 countries international finance institutions and MDBs averaged at least USD 47 billion a year, almost 1.4 times their support for clean energy in the same period.
- Canada was the top fossil fuel financier between 2020 and 2022, with its export credit bank (ECA), Export Development Canada (EDC) providing an average of USD 10.9 billion annually in support.
- At the end of 2022 Canada followed through on their commitment to end their international public finance and is under pressure to meet a separate pledge to end their much larger domestic ECA fossil fuel finance in 2024.

9 April 2024 - Despite seeing the single biggest year increase in G20 and Multilateral Development Bank (MDB) international finance for clean energy in 2022, a [report published today](#) reveals that a handful of bad actors, including Canada, are blocking a just transition to renewable energy with continued outsized financial support for fossil fuels.

This new report [Public Enemies: Assessing MDB and G20 international finance institutions' energy finance](#) by Oil Change International and Friends of the Earth United States, highlights the alarming disparity in international energy finance, with a staggering 62% (\$142 billion total) of known G20 and MDB international public finance for energy between 2020 and 2022 directed towards fossil fuels, while only 20% (\$104.5 billion) supported clean energy projects.

To limit warming to 1.5°C in line with international climate agreements, 60% of already-developed fossil fuel reserves must [stay in the ground](#). In light of these limits, the IEA has sent a clear message that there should not be any new oil and gas field or LNG investments -- public or private -- beyond what was already committed as of 2021.

The findings reveal that the wealthiest G20 nations export credit banks and development finance institutions are the primary culprits behind continued investments in fossil fuels, with Canada, Korea, and Japan emerging as the worst offenders. Canada's high total of USD 10.9 billion is driven by Export Development Canada's unusually broad mandate that allows for domestic finance. Between 2020 and 2022, 84% of EDC's fossil fuel finance went to support the Trans Mountain and Coastal Gaslink pipeline projects alone.

Canada fulfilled their commitment to the Clean Energy Transition Partnership (CETP) to end international finance for fossil fuels but has yet to end its large domestic fossil fuel finance

provided by its ECA, Export Development Canada. In 2023, despite ending its international public finance, as [Environmental Defence Canada reported](#) EDC provided CAD 15.3 billion in domestic support for fossil fuels. The Canadian government has committed to end their domestic fossil fuel finance by the end of 2024, but to date has not communicated any of its plans to do so.

The report highlights where there has been momentum to shift finance out of fossil fuels. It shows that coal exclusion policies have worked to nearly eliminate international public finance for coal. Seven G20 countries are also signatories to the CETP. If G20 countries, including Canada honour their existing commitments to end not only coal finance but also oil and gas finance, it would shift \$26 billion out of fossil fuels by the end of 2024.

**Claire O'Manique, Public Finance Analyst at Oil Change International, said:**

“While rich countries continue to drag their feet and claim they can’t afford to fund a globally just energy transition, countries like Canada appear to have no shortage of public funds for climate-wrecking fossil fuels. We must continue to hold wealthy countries accountable for their role in funding the climate crisis, and demand they move first and fastest on a fossil fuel phaseout, to stop funding fossil fuels, and that they pay their fair share of a globally just transition, loss and damage and adaptation finance.”

**Julia Levin, Associate Director, National Climate, Environmental Defence Canada:**

“Canada continues to be one of the worst global culprits in terms of ongoing fossil fuel funding. Minister Freeland has the opportunity to fix that. In the upcoming budget, the Minister should announce the immediate steps the government will be taking to eliminate all of its financing to the oil and gas industry, as was promised back in 2021. At a time when people across Canada are struggling with the cost of living and communities are dealing with the impacts of climate disasters, governments must hold big polluters accountable for the damage they are causing.”

Notes:

- The [Clean Energy Transition Partnership](#) was launched at the 2021 UN COP26 climate conference in Glasgow. The 41 signatories (full list [here](#)) aim to “end new direct public support for the international unabated fossil fuel energy sector by the end of 2022” and instead “prioritise our support fully towards the clean energy transition.”
- Oil Change International’s [Public Finance for Energy Database](#) shows that G20 countries and the major multilateral development banks (MDBs) provided at least \$47 billion per year in international public finance for oil, gas, and coal projects between 2020 - 2022, 1.4 times more than their support for renewable energy over the same period (\$34 billion).
- [This implementation tracker](#) outlines country-level progress on implementation of the Glasgow Statement, and is updated on a running basis.
- Last week, Environmental Defence Canada published a [new analysis](#) which revealed that the federal government provided at least \$18.6 billion to the fossil fuel and petrochemical industries in 2023 alone, through public financing and subsidies.

- 86 national and international environmental, human rights, faith and health groups [sent a letter to Prime Minister Trudeau](#) calling on the Government of Canada to end all public financing of fossil fuels and petrochemicals, as was promised in 2021