



The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
House of Commons
Ottawa, ON
K1A 0A6

August 28, 2017

Dear Prime Minister Trudeau,

I'm writing to express concern about the government's ongoing financing of fossil fuels, which is at odds with Canada's international commitments on climate change.

A recent report that examines public financing of fossil fuels by G20 countries between 2013 and 2015¹ reveals the following troubling findings:

- Canada provided billions of dollars in public financing for fossil fuels each year, nearly all to oil and gas companies through Export Development Canada (EDC).
- During the same term, Canada provided less than \$200 million annually in public financing for clean energy.
- Compared to other G20 countries, Canada made an oversized contribution to fossil fuel finance, relative to the size of its economy.
- A conservative estimate² of the average annual sum of Canada's fossil fuel financing puts our country in sixth place for largest public supporter of fossil fuels among G20 countries (following Japan, China, South Korea, the U.S. and Germany).

¹ The report, titled *Talk is Cheap: How G20 Governments are Financing Climate Disaster*, was published in July 2017 by Oil Change International, Friends of the Earth U.S., the Sierra Club and WWF European Policy Office. It is available online at <http://priceofoil.org/2017/07/05/g20-financing-climate-disaster/>.

² In its list of individual financing transactions, EDC does not disclose the actual value of each transaction; instead, it reports a value range (e.g., \$100-\$250 million). In calculating the sum value of all transactions involving oil and gas companies, the report authors used the lowest value in each range, resulting in an estimated total that may be considerably lower than the true value.

- In addition to the financing it provides through domestic public institutions, Canada supports fossil fuels through its contributions to multilateral development banks (MDBs). The six major MDBs examined in the report collectively provided US\$8.7 billion annually in financing for fossil fuels.

Canada's generous public financing of fossil fuels has continued apace well into the term of the current government: EDC reports that it provided nearly \$12 billion in support to oil and gas companies in 2016.³

At last month's G20 summit you re-affirmed Canada's commitment to the Paris Agreement, which aims to strengthen the global response to climate change, including by pursuing efforts to limit global warming to no more than 1.5°C and by "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development."

Recent analysis shows that even if coal mining were completely phased out, burning the reserves in already operating oil and gas fields would take the world beyond 1.5°C of warming.⁴

The Canadian government's continued provision of public financing to oil and gas companies is inconsistent with the aims of the Paris Agreement, and is difficult to reconcile with your assertion of Canada's "unwavering" commitment to "fight climate change and support clean economic growth."

Above Ground calls on you to take immediate action to shift public financing away from fossil fuels. Specifically, we echo the authors of the report on G20 finance in urging the Canadian government to:

- commit at once to end all public financing of fossil fuels, including oil and gas, by 2020;
- provide adequate finance to enable developing countries to achieve an expeditious shift to renewable energy;
- increase the transparency of financing at all public finance institutions; and
- expand public support for truly clean technologies such as solar and wind.

³ See EDC, Canadian Industry Sub-sector 2016, at <http://www.edc.ca/EN/About-Us/Disclosure/Reporting-on-Transactions/Pages/industry-sub-sector-2016.aspx>.

⁴ See Oil Change International, *The Sky's the Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production*, at http://priceofoil.org/content/uploads/2016/09/OCI_the_skys_limit_2016_FINAL_2.pdf.

Sincerely,

A handwritten signature in black ink, appearing to read "Karyn Keenan". The signature is fluid and cursive, with the first name "Karyn" and last name "Keenan" clearly distinguishable.

Karyn Keenan
Director

c.c. The Honourable Catherine McKenna, Minister of Environment and Climate Change