Export Development Canada's fossil fuel backing undermines Canada's climate goals

Canadian and international actors are calling on Ottawa to commit to a low-carbon economic recovery. Such a recovery agenda must address the massive support for fossil fuels provided by Canada's export bank, Export Development Canada.

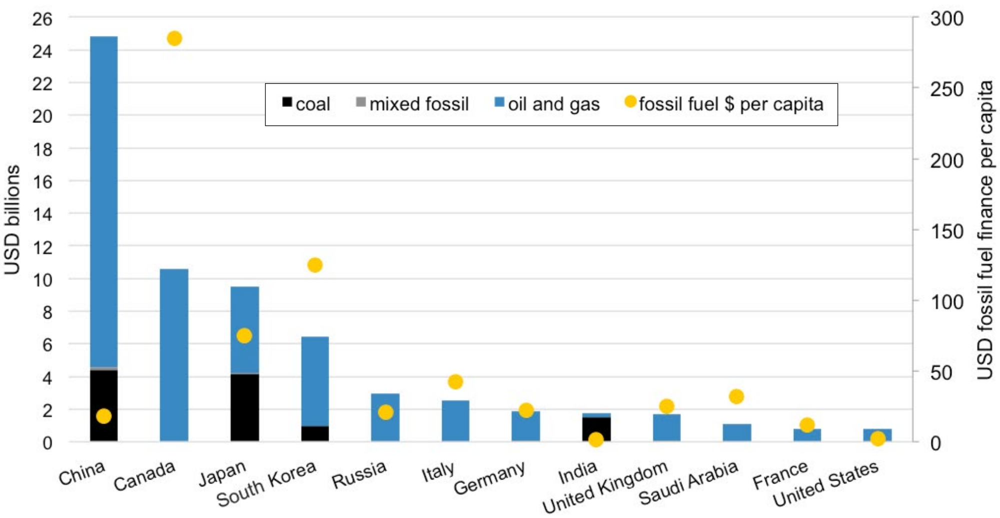
Between 2016 and 2018, Canada provided more **public finance for fossil fuels** than any G20 country other than China. The financing was delivered through Export Development Canada, which provided an average of $13.8 billion a year to support Canadian and foreign oil and gas companies.

Numerous financial institutions, including public banks such as the World Bank and the European Investment Bank, **have pledged** to end their support for fossil fuel production. The **United Kingdom** ended export finance for nearly all new fossil fuel projects in March 2021, while **Sweden** will end all export credit for fossil fuel exploration and extraction by 2022. **France** has ordered its export credit agency to move in this direction as well.

But while EDC has adopted some restrictions on support for coal, it has not committed to reducing its total support for fossil fuels. The federal government has committed to strengthening its 2030 emissions target and has set a goal of net-zero emissions by 2050. Yet Ottawa has not mandated EDC to align its financing with Canada's climate commitments.

Above Ground and 10 other organizations have called for **legislative reforms** that would prohibit EDC from supporting fossil fuel companies and projects, at home and abroad.

Top 12 G20 countries' public finance for fossil fuels (in total and per capita), yearly averages for 2016-2018, USD billions



Graph and data provided by Oil Change International.

EXPORT DEVELOPMENT CANADA (EDC) is a Crown corporation that provides roughly $100 billion in loans, insurance and other support to Canadian and foreign firms each year.

EDC ON CLIMATE

Export Development Canada's first climate target, released in 2020, commits the agency to reducing its financing support for six carbon-intensive industries by 15% by 2023, as compared with a 2018 baseline. The target applies to less than a fifth of EDC's portfolio and the agency has announced no plan to ensure a reduction in the overall emissions associated with its portfolio.

Fuelling the climate crisis

A FEW OF EDC'S FOSSIL FUEL CLIENTS

EDC has issued up to $5.5 billion in loans to **TC Energy** (formerly TransCanada) and its business partners since 2010, with some of these earmarked for the firm's Keystone pipeline and Keystone XL expansion project. The boost in oil sands production facilitated by Keystone XL could drive the industry's **emissions up by a stunning 36 percent**.

Oil sands developer **Suncor** has received up to $1 billion in loans from EDC since 2010. Suncor and other bitumen miners continue to expand their toxic tailings reservoirs despite there being no proven means of cleaning them up. Suncor's tailings reservoirs reportedly hold about a **quarter of the total oil sands tailings** in Alberta.

Teck Resources has benefited from up to $1.2 billion in support from EDC since 2014. Teck is currently seeking to dramatically **expand one of Canada's largest coal mines**, despite systemic pollution problems at its facilities that have led to **record-breaking fines**. From 2008 to 2020, the firm was also planning to build Alberta's largest oil sands mine to date.

EDC issued a loan of up to $500 million to Colombian state oil company **Ecopetrol** in 2016, despite its lengthy **track record** of environmental harms. Ecopetrol is now under **criminal investigation** for a 2018 oil spill that triggered one of Colombia's worst environmental disasters in decades.

EDC has issued **Trans Mountain Corporation** at least $6.3 billion in loans from the Canada Account to date. This account is used to facilitate loans that the government deems to be in the national interest, but that EDC wouldn't usually support due to the high level of risk. The oil sands growth facilitated by the pipeline expansion will generate the same volume of emissions as having **3 million more cars on the road every year**.

India's **Tata Power** was issued an EDC loan in 2014, long after severe pollution problems at its **Tata Mundra coal plant** had gained international attention. The company received another loan in 2015, after Norway's largest pension fund announced it would blacklist the company due to its **heavy reliance on coal-fired power**.

> **"We know that limiting warming to 1.5°C requires not only leaving most fossil fuel reserves in the ground, but also retiring the world's existing coal, oil and gas infrastructure on an accelerated timeline.**
>
> **And yet, Canada's leaders continue to move in the opposite direction."**
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> — Mary Robinson, former United Nations high commissioner for human rights and former UN special envoy for climate change, ***Globe and Mail***, July 2020