

# International Development Committee

## Oral evidence: Climate change, development and COP26, HC 99

Tuesday 6 July 2021

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Members present: Sarah Champion (Chair); Theo Clarke; Mrs Pauline Latham; Chris Law; Mr Virendra Sharma.

Questions 39 - 77

### Witnesses

[I](#): Eileen Mairena Cunningham, Active Observer representing the Civil Society, Indigenous Peoples and Local Community Network at the Green Climate Fund, and Head of the Secretariat, Researcher and Advocacy Officer on Climate Finance, Indigenous Peoples Territories at the Center for the Autonomy and Development of Indigenous Peoples; and Gebru Jember, Representative of the Least Developed Countries Initiative for Effective Adaptation and Resilience, and Regional Lead for Climate Diplomacy and Measurement, Reporting and Verification at the Africa Office of the Global Green Growth Institute.

[II](#): Catherine Pettengell, Interim Director at Climate Action Network UK; and Marek Soanes, Researcher in Climate Finance and Climate Risk Management at the International Institute for Environment and Development.

[III](#): Laurie Lee, Chief Executive Officer at CARE International UK; Nick Mabey, Chief Executive Officer at E3G.



## Examination of witnesses

Witnesses: Eileen Mairena Cunningham and Gebru Jember.

Q39 **Chair:** This is our second session on climate change for the International Development Committee. We are looking specifically at the finance around climate change and the UK's credibility on the stage. We are very fortunate to have three panels today. Our first panel is made up of Eileen Mairena Cunningham and Gebru Jember Endalew. I wonder if I could start by asking both of you to introduce yourselves. I know you both have a lot of experience in this field. Maybe you could give us a little bit of background about what brings you to this panel. Eileen, I will start with you and then go on to Gebru, please.

**Eileen Mairena Cunningham:** My name is Eileen Mairena Cunningham. I am an indigenous woman from the Miskitu people in the Caribbean coast of Nicaragua. I have been working for 20 years, as of last year, in environmental issues and the management of indigenous peoples' land and territory in Latin America and the Caribbean. I am part of the Center for the Autonomy and Development of Indigenous Peoples in Nicaragua. I am doing research and advocacy specifically on climate finance for indigenous people in the Green Climate Fund. Right now, I am also the active observer for developing countries in the Green Climate Fund.

**Chair:** Thank you. We are very lucky to have you join us. Gebru, I will hand over to you.

**Gebru Jember:** Good afternoon, everyone. I am Gebru Jember. I am working for the Global Green Growth Institute here in Addis Ababa as a regional lead on MRV and climate diplomacy. I chaired the LDC Group in 2017 and 2018. Besides that, I am a technical lead for the Least Developed Countries Initiative for Effective Adaptation and Resilience. Thank you.

**Chair:** Thank you, Gebru. I will hand over to Theo Clarke for our first questions.

Q40 **Theo Clarke:** Eileen, what is the main impact of climate change on indigenous people?

**Eileen Mairena Cunningham:** Thank you for your question. We can see one of the main impacts of climate change on indigenous people in the impact on our livelihood. Indigenous people have a lot of traditional knowledge and a knowledge system that for centuries has been adapting to different changes in the climate. Lately, with all of these very rapid changes, we have seen that indigenous people can no longer read—that is how we see it—the environment. The impact on our livelihood is really great because we cannot adapt as fast as the climate is changing.

You can see that we are most of the impacted. At a global level, we are in 72% of forests. We live in 72% of this ecosystem that is really important for climate actions. However, we still have only 10% recognition of this



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land tenure. If we do not have a full recognition of land tenure, we also do not have the opportunity to manage our territories and to adapt to climate change.

Q41 **Chair:** Gebru, what is the main challenge that the least developed countries face in terms of accessing climate change funding?

**Gebru Jember:** If you look at it from the least developed countries' perspective, there is a challenge overall in terms of the quality, the quantity and the accessibility of climate finance. On quality, there is a mix of ODA versus climate finance, because we do not have an agreed common definition of climate finance. So there is a mix in terms of quality.

When you look at it from the quantity perspective, you could look at the Covid pandemic. It is a global issue, where billions and trillions have been mobilised within a short period of time. Climate change is also a global problem, but, if you look at the quantity of finance being mobilised, we were not able to reach \$100 billion per year by 2020. So there is an issue of quantity as well as quality.

Accessibility is another challenge. GCF is not the only one; there are other pillars as well, including bilateral and other climate finance groups. When you look at the accessibility perspective, the accreditation of institutions in LDC countries is becoming a challenge. If a country needs to register for access to large-scale finance, it is not easy. Even small-scale accreditation takes years. Besides, when you submit a proposal, it takes two to three years minimum to access the finance. Then you need to revise, because things change. The impact of climate change invariably becomes a bit more severe, and that means the cost for adaptation and mitigation becomes more and more. The initial plan may be for X amount, but when you receive the finance it is underestimated. Overall, there is a challenge in terms of accessibility because we are not following a simplified approach.

We also have a number of intermediaries in between. As a simple example from the Least Developed Countries Initiative for Effective Adaptation and Resilience, for which I am the technical lead, when we assess the existing practices, only 10% to 15% of climate finance reaches the local community. That means that there are a number of intermediaries in between. We really need to think about how to address the issue in a business-unusual way. Through this initiative, we are thinking, "Can we really try to get at least 75% of the resource to reach the local community?" That is a challenge, as we are really asking the global community to do things in a business-unusual way in terms of channelling resource.

Q42 **Chair:** Gebru, you have given us a lot of information there, and none of it is positive. I wonder whether I could ask you some follow-up questions on it. If only 10% to 15% of the funding is going directly to local communities, are you seeing the other 85% being invested in the local



region or is it that there are so many intermediaries each getting paid that the amount of money that comes down is a very small percentage?

**Gebru Jember:** Yes, most studies show that there are a number of intermediaries in between. It is a top-down planning process. Local communities are not engaged in the planning, and they do not have access rights to the resource. At the end of the day, they are accessing no more than 15%. That is why you see vulnerable communities in a vicious circle of poverty. If we keep on doing things in this business-as-usual way, the vulnerable groups will increase in number and area coverage, and it will become expensive in the near future.

Q43 **Chair:** Do you think the donors are aware of how long it is taking people to apply? You said it could be two to three years in some cases. That is crazy.

**Gebru Jember:** Yes. I do not want to get into the GCF process, but as an example, there are a number of obstacles in it. There are internal and external review processes, and the board needs to decide. They do not even want to give the GCF secretariat the right to approve all small-scale projects. There are a number of projects that are waiting for the board to approve them. This is a simple example. It has been made in a way that means countries cannot really simply access it. If we keep doing it that way, it will be a failure for all of us. There are limited resources being kept there, but they are not accessible for local communities in vulnerable countries.

Q44 **Chair:** Thinking specifically about getting funding from multilateral organisations and your experiences of doing that, can you tell us what is good and what is bad about the process?

**Gebru Jember:** From my experience, there is the accreditation process, for instance. For most large-scale projects, accreditation has been given to bigger institutions, the UN organisations. The most vulnerable countries have been accredited for small-scale projects. If you go for a large resource, it means you will go through this accreditation process. The 15% to 20% is a minimum charge, so it starts from there. There are also intermediaries in between, even at the national level. To reach the local community, there is federal and local government and all of this, including the implementing entities, who cost a lot.

In this case, simplified access by governments could be one option for the review process. It is not something abstract that is being published; it is a proposal subject to amendment at different stages. The review process by itself is very bureaucratic. There needs to be a simplified approach to accreditation as well as access to finance. I am not saying that we do not need to give value for money—we need to respect that, because it is taxpayers' money—but it needs to have an impact on the ground. You need to think outside the box in a business-unusual way. Most donors measure their success by the amount of finance they



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disburse. It is just ticking a box; you do not know what impact it has generated on the ground.

**Chair:** You have shocked me. Thank you for being so honest and open.

Q45 **Mr Sharma:** Eileen, what is the main improvement you would like to see in the process for applying for climate change funding from multilateral organisations? In doing so, could you tell us briefly what role accredited entities might play?

**Eileen Mairena Cunningham:** Thank you for your question. One of the improvements that is necessary is for all the multilateral mechanisms to open up and have a more inclusive participation of stakeholders in all of their processes. Gebru already said how difficult it is sometimes for all of these processes to include local stakeholders. For indigenous people it is also worse, because there are other challenges and issues. The requirements to access a fund are really difficult and it is always done through third parties.

Accredited entities play an important role in all of this. We know that most of these mechanisms are country-driven processes. A country-driven process should include the participation of different stakeholders, as I say. As an example, GCF's Governing Instrument says that country-driven processes should include women, indigenous people and other stakeholders, but in reality that is not happening. What we are seeing is that, even if an accredited entity is willing or has a policy in place to include different stakeholders, in the end it is not happening. What we see is that different accredited entities have indigenous-people policies—even the GCF has an indigenous people policy—but in the end they do not include indigenous people or local communities in the process.

One of the main improvements in all of this, as Gebru already said, is to try to find a way for local communities and indigenous people to have direct access to funds and a full and effective participation in all the processes. Full and effective participation is not only a one-time consultation; this has to be a complete-cycle process during the project cycle, even when they start with the construction of the conceptual note and all of the process. That is full and effective participation. This is very important for accredited entities that are really committed to climate action in our territories. If not, we are going to keep having this top-down process that in the end does not have the outcome that all of us want. It is not only for our territories. That is the other thing. It is also a process that brings a good outcome for the whole of humanity. That is how indigenous people see this issue.

Q46 **Mr Sharma:** Gebru, how does the LDC Initiative for Effective Adaptation and Resilience try to influence the funding process of multilateral organisations such as the Green Climate Fund?



**Gebru Jember:** This is one of the really critical issues that we want to address. We do not want to replace the GCF, but we want to influence the functioning of the GCF, other climate financiers and even Governments, because Governments have allocated from their own treasuries to respond to climate impacts. Through piloting, we want to influence them to do things in a business-unusual way. Our model for work will really be about bringing in stakeholders in given frontrunner countries. We are going to start with several frontrunner countries. We want to bring in key stakeholders, and we want to show them that we need to try to do things in a business-unusual way. This goes from planning to implementation and reporting; it is across the value chain.

It is going to be more of an engaging process so that we will influence them across different stages. When they really look at the GCF, I really believe that in due course they can put more pressure on it and come up with options for the GCF to function in a different way.

Q47 **Chris Law:** Gebru, what can the UK do as COP26 president to make the application process easier for the Governments you represent?

**Gebru Jember:** I received a similar question at an event that happened half an hour ago on locally led adaptation. My answer to them was that the UK is just hosting one COP. If it were possible to address the problem within one COP, we would not have had to keep moving on this for the last 20-plus years.

I do believe that prioritisation does need to happen. The UK has been doing its best to address most of the outstanding issues, but prioritisation needs to happen. I do not believe that the UK presidency will resolve this issue within this time, but it can still contribute towards addressing the problem in due course. I do believe that the UK will facilitate donors meeting in the G7, G20 and other informal meetings, move towards mobilising them on more qualitative and quantitative issues on climate finance and accessibility, especially with the GCF, and start putting more pressure on the process.

Partly we are all accountable for that, because the GCF functions according to its board arrangements and there is an overall principle that the GCF is following. It requires us to convince all of the key actors so that they can give guidance to the GCF to reconsider this and move more towards simplified direct access. In that regard, the UK will have two roles: it will be facilitating the negotiation on climate finance, including starting the definition on climate finance; and at the same time it will be really starting the discussion on setting the climate finance goal for 2025.

That is from the negotiation perspective. From the perspective of mobilising more resources, we have to learn the lessons from Covid. If there is a willingness, the global community can mobilise more resources. The UK could facilitate that kind of discussion among politicians, because it is more of a political decision that is really needed in terms of allocating



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more climate finance. If the UK could facilitate that kind of discussion and lead by doing, that would be very great.

**Q48 Chris Law:** We are about \$20 billion short of the target, so we have only a few short months yet to achieve that. Eileen, if you could ask the UK Government for one change to its strategy as regards international climate finance—other than meeting the target, of course—what would it be?

**Eileen Mairena Cunningham:** For indigenous people, it is very important—we hope the UK Government will help us—that we push this idea of direct access to funds for indigenous people. This direct access to funds must have safeguards to respect the right to self-determination of indigenous people and free, prior and firm consent. That is one of the most important ideas. This is also not only during the COP, as Gebru has already said; it is a process. The UK Government can be the advocate of all these issues not only during COP but after. I have been seeing, at least in the GCF, that the UK Government are not so vocal about indigenous people or local community action. As Gebru says, we have to change that paradigm to a more inclusive one.

When we talk about the direct access to funds and indigenous people, we are always talking about developing countries' indigenous people. We are leaving aside the indigenous people who live in developed countries. That is another issue that is included in this idea of direct access to funds. All of this process makes it so difficult for indigenous people to access the funds. We have to go through accredited entities. We have been doing an analysis about how much of this money is going to indigenous people. We only have a broad idea about this. At least in the GCF, of 158 projects, 71 maybe have a potential impact on indigenous peoples' territories. We do not have direct access to these funds; we cannot implement; we cannot decide how this process should be in our lands and territories.

Direct access to funds and the full and effective participation of indigenous people is important. That would be really helpful for indigenous people, and it would be most welcome if the UK Government helped us with all of this.

**Chris Law:** Gebru, would you like to add to that?

**Gebru Jember:** For the UK Government, I do believe that you will keep testing business-unusual ways of channelling resources as well as complying with the business-as-usual channelling of resources through different pillars. It is really good—we need to keep it up—to think about this in a business-unusual way. For instance, there is the support that you have been providing for initiating LIFE-AR. It is a small project, but it will be a testimony for how we can really do things in a different way. In this way, you can really be able to influence bigger financial sources like the GCF's adaptation funds or even other bilateral donors who are really investing a lot of resources on the ground, but we do not see much



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impact on the ground. Doing things in a business-unusual really needs to come from both sides. I believe the UK will keep on doing that.

**Chris Law:** Thank you. Eileen, I have one last note. I am here in Scotland. Eileen is a very popular name here in Scotland. I just wanted to add that.

**Eileen Mairena Cunningham:** Thank you. I know that.

Q49 **Chair:** Eileen, you spoke about the role of indigenous people and how you do not feel they are being involved enough in the projects to deal with climate change. This is a broad question. Indigenous people are unlikely to be the main culprits for creating the climate crisis that we have at the moment, yet they are the ones who are most likely to be facing the impacts of it. How do you feel about that when you are then not allowed to have a voice about how to create a solution?

**Eileen Mairena Cunningham:** For indigenous people, it is really very frustrating. In the last 30 or 40 years, we have been advocating for the recognition of the rights of indigenous people. You then see, as you have already said, that we are not the ones who are at the front of causing these climate issues, but we are receiving most of the impact.

For example, in my community last year we had two hurricanes—category 4 and category 5—within 10 days. Imagine the community. There were communities that were completely destroyed. It was just after or during a GCF meeting that this happened. There were some people who advocated against projects in my country, because there are some political issues. I said, “My community needs these projects. My community needs access to funds to adapt in a better way to the climate change impacts.” It is really frustrating when you go to these global negotiations and the issues of indigenous people are silenced sometimes.

There has been some change in some spaces, but we still need more action. I have also been hearing some accredited entities saying, “Yes, we need action.” That is why they have this top-down vision or approach. The reality is that, yes, climate action should go to the local communities, but we also have to bring in these local community voices. It is not necessary to be top-down. There have been plenty of examples where there has been a dialogue and a collaborative process for these projects at a local level. It is very important to have full and effective participation in all of the process.

Q50 **Chair:** I agree with what you have said. Thank you. Gebru, there is one last question from me. You mentioned a reluctance from the international community to invest in climate change action. Why is that?

**Gebru Jember:** First, there was a misunderstanding. I do believe that climate should not be subject to political debate. If it is a political debate, it is not really well taken by the whole society. In that regard, whenever we think of climate finance, there is a misperception that it is an issue about developed versus developing countries, but climate does not have



any boundaries. Whatever is happening here in Ethiopia will have an impact on the global community.

We all need to be leaders in the whole process. We need to be leaders in the sense that we need to do what we can and we need to be supported by those who are in a position to support us. In that regard, we need leadership. For instance, meeting the \$100 billion took years. I do not really want to mention names, but in some countries with a change of leadership there is interrupted support. With Brexit, for instance, we all fear what will happen to the climate agenda for the UK Government.

Whenever there is a change of Government, we fear that there is a change in agenda. Climate should not be treated that way. That is why, from past practice, things are not moving in the way that they should. However, when it comes to other priorities, we see that there are lots of resources mobilised within a short period of time. There is a misperception about climate and its impact. Even if the impact is going to be more severe in a vulnerable community, you will still feel the impact. No one is immune from climate impacts, but the severity may vary depending on your sensitivity.

**Chair:** Thank you to both of you. You have given us a lot to think about. I have to say that your comments have given me a wake-up call. Please be assured that this Committee will keep on fighting to try to make sure, particularly, that local communities are involved from the very start of the projects and to make sure that climate change, as you say, Gebru, is not viewed as a political issue but as something we all need to take responsibility for. Thank you very much for your time. It is deeply appreciated.

## Examination of witnesses

Witnesses: Catherine Pettengell and Marek Soanes.

Q51 **Chair:** I would now like to turn to our second panel. We have Catherine Pettengell and Marek Soanes. I wonder if you could both introduce yourselves and the organisations you represent, please.

**Catherine Pettengell:** Thanks very much, Sarah, and thanks to the Committee for having me here today. My name is Catherine Pettengell. I am the interim director of Climate Action Network UK, which was formerly known as the Bond Development and Environment Group. It is a coalition of UK-based environment and development NGOs that work together on international policy at the nexus of poverty, climate and nature issues. It is part of CAN International, a network stretching across 130 countries around the world.

**Chair:** Thank you very much. Catherine, just to let you know, your video is a little slow. We can hear you perfectly. If there is any problem, we might ask you to drop your video so we can keep going with the sound.



Marek, I wonder if you could introduce yourself and your organisation.

**Marek Soanes:** Hi. I am Marek Soanes, a researcher at the International Institute for Environment and Development on climate finance and climate resilience. First, it is a pleasure to be here. IIED is a policy-in-action research organisation. We have been working to connect local challenges to global issues since 1973, and we have been working really strongly over the past five years to advance research on climate finance action and solutions, particularly helping support vulnerable countries and vulnerable communities to connect to global climate finance sources. It is a pleasure to be here.

**Chair:** Thank you. I really appreciate both of you joining us. I will hand over to Virendra Sharma for our first questions.

Q52 **Mr Sharma:** My question is first to Cat and then Marek can join in. How would you rate the UK's performance in terms of funding for climate adaptation compared with other donors?

**Catherine Pettengell:** Thank you for the question. I would say that there are some really good points and some not-so-good points, so the rating would be a little bit in the middle. One of the areas where the UK is really strong around adaptation finance is the really strong commitment to grant-based finance. It is quite a leader in that area. There is also the commitment to provide 50% of climate finance for adaptation. That is an embedded commitment and it is something that the UK does reach within a couple of percentage points. In that respect, those are some of the good elements.

Some of the areas of concern are really around the issue of new and additional finance or the lack of it. At the moment, the aid budget cuts are having a particular impact on climate finance, including on adaptation programmes, which we are hearing are being cut. There are implications on adaptation programming, despite the commitment to increase climate finance over the next five years. That is particularly concerning for the UK's credibility in calling for other countries to increase their adaptation finance, which is urgently needed. We know that it is woefully underfunded globally, and we really need a sea change on support for adaptation. It is really concerning that at this point in time the UK is closing some adaptation programming.

**Marek Soanes:** I can hopefully build a bit on Cat there. In terms of the plus points for the UK, in comparison to other wealthy countries, the UK does perform historically rather well in terms of the transparency of reporting. As a citizen either in the UK or in a vulnerable country, you can follow the money. Research from both IIED and CARE International shows that, overall, you can track down most of the climate finance and adaptation finance that the UK provides and see some form of the intentions around how that money is spent.



However, there are also issues, as Cat mentioned, in terms of how much of this climate finance is invested in projects and programmes, particularly where the main goal is adaptation. If we are looking into the future, a big change is happening now and we need to think very differently. We can only verify that about 14% of UK funding reported to the OECD DAC was invested in projects and programmes that primarily intended to shift the way we are thinking and transform in terms of building resilience for future climate risk.

Going back to the plus points, the UK has had a history of investing in some transformative initiatives that have provided a huge amount of learning for the global community on adaptation, such as Building Resilience and Adaptation to Climate Extremes and Disasters across Africa and Mali and the start-up programme in Kenya. Gebru mentioned the LIFE-AR programme that is supporting the LDC Initiative. They have recently endorsed the eight principles for locally led adaptation through FCDO.

These are all great, but again, as Cat mentioned, this continues to be undermined by in many instances not putting the money where the UK's rhetoric is. For instance, in terms of the LIFE-AR programme, it is fantastic that the UK has signed up to be part of a 10-year journey. It is really about patient support, but currently it is only providing annual funding, which undermines the very incentives behind the initiative. There have been some really transformative programmes lauded globally for how they have sought transformational change, such as the BRACED programme, which was operational across the Sahel and west Africa in Mali. That was a fantastic programme, but again it was cut short due to changing priorities in funding. A lot of the transformative work and the learning that happened was not able to be continued.

**Q53 Mr Sharma:** Thank you very much. Cat, the UK published its biennial finance communication in December 2020. Why did NGOs criticise the UK for stating that its funding would be new and in addition to its previous commitment?

**Catherine Pettengell:** The reason for the criticism is because, at the moment, there is no clear approach about how finance is new and additional to existing commitments. The existing approach of this Government is no longer tenable.

The reason we have been given up until this point is that climate finance is defined as new and additional under the UNFCCC mechanism, but this UK Government have decided to define "new and additional" as coming from a growing aid budget. As our economy grew, the UK was able to fulfil its climate finance commitments from what was called new money. We see it as the same old commitments. It was still 0.7. That was not new money for us, but the aid budget was a growing pot.

Now that we are facing a budget cut, that position is no longer tenable. What was in that communication was that the money was new and



additional to the last five years' money. To me, that seems like something that does not need to be said. That would be like saying, "Your next mortgage payment is new and additional to your last mortgage payment," or, "My next pay cheque is new and additional to my last pay cheque." That wording is not needed; there is no meaning to that.

These words are in the negotiated outcomes and they are in the UNFCCC, so they must mean something. While we do not have a shared global definition of it, they are in there because that is how the money is meant to be reported. It is really important for the UK's credibility that those words therefore actually mean something. That is the concern at the moment. Currently, they do not mean anything.

**Q54 Chris Law:** Marek, what we are hearing this afternoon is really interesting and quite shocking and disappointing, I have to say, in some respects. To what extent does UK climate finance support local communities? What proportion of the total funds disbursed actually reach local communities?

**Marek Soanes:** To start, the UK has made some really good public statements around its support for locally led adaptation. In particular, as Gebu informed the Committee, it has supported the LDC's Initiative for Effective Adaptation and Resilience, which itself has made this commitment to get 70% of climate finance to the local level by 2030. It is inherently supporting that local agenda and also endorsing the eight principles for locally led adaptation from the Dutch climate summit in January.

That is all fantastic, but the reality is that the proof is in the actual investments that are hitting the ground. The challenge is in analysing the UK's efforts to get climate finance to local communities. We cannot do that individually for the UK. It is incredibly difficult. There is a report from us and a separate report from ODI and CAFOD, and they have analysed some of the UK's ICF funding. It is clear that not enough information is provided. Although they are transparent compared with other bilateral donors, if you look at the UK on its own merits, in terms of the goals of the Paris agreement, you just cannot see how local communities are involved in the programming, where decisions are being made and how much finance gets into the hands of local communities.

If you look at the funds that the UK is contributing to—for instance, the UK is a contributor and board member for funds such as the Green Climate Fund—some previous analysis that we undertook a few years ago showed that less than 10% of the funding from the multilateral climate funds was actually intended to reach the hands of local communities. When you go to the whole amount of bilateral climate finance and multilateral development bank finance flowing, a recent deeper analysis has showed that it is just impossible to understand fully where funding is in control of local organisations, whether it is being led by excluded women or indigenous peoples, as Eileen mentioned, who are really at the frontline of climate change and who have been adapting for decades. It is



just impossible to understand where the money is actually hitting their pockets.

Currently, the global finance community just does not make the information available to allow, as I said, citizens in the UK or in these vulnerable countries to understand where the money is going and how to participate in it. It is just not possible to follow that money fully.

It is really great to see commitments to grant financing and to adaptation being 50% of total spend. It is really great to see these commitments to the principles for locally led adaptation and LIFE-AR, but it would be really fantastic if the UK, for instance as part of its COP presidency, could help shift the donor community forward on how climate finance is reported to create more trust in the climate finance system. That could be through simply providing the project documents that are all seen and signed off by project donors to the outside world so that we can really understand what is happening and perhaps make a commitment to how much climate finance should be reaching the local level.

**Q55 Chris Law:** What you said, Marek, is really important. Chair, if you do not mind, I have a follow-up question. To what extent are conflict-affected countries, which are amongst the most vulnerable to climate change and frequently excluded from results, included in climate action and climate finance?

**Marek Soanes:** I cannot give you a total statistic on the amount of finance going to conflict-affected states, but the UK has been incredibly instrumental, for instance, in providing finance historically to states involved in conflict. For instance, I mentioned Mali and the BRACED programme. With the aid cuts, there are also some warning signs there around the intention potentially to cut funding that is going to states that are in absolutely dire need both of humanitarian funding and development finance to support them addressing their development deficits.

Some comments have already been made on the role of the Green Climate Fund, for instance. It is the main global climate fund and the UK is an incredibly important contributor. It is sometimes important to get a bit into the detail to understand how countries like conflict-affected states are at a severe disadvantage in accessing climate finance. To give you an example that happened just a few days ago at the Green Climate Fund board meeting, there was a large discussion about the strong desire from the Green Climate Fund to ask institutions coming forward with projects and investments to have a really clear rationale for what the purpose of the project was in terms of climate change. That requires them to have many decades of observational information about how the climate has changed historically. Of course, that is really important, but, if you are a conflict-affected state with very little observational data because your state was only in a secure situation perhaps a decade or so ago, or potentially might not even be now, observational data is going to be incredibly hard to find.



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It is not only about the institutions being fiduciarly capable of accessing this funding; it is about recognising that countries are in such different circumstances in terms of being able to design these projects. We really need to look at countries differently, particularly the most vulnerable countries, the least developed countries and the small-island developing states.

**Chair:** Cat, you were nodding furiously to a lot of what Marek was saying. Did you want to add anything?

**Catherine Pettengell:** No, I have nothing to add. He covered it really well.

**Chair:** He did.

Q56 **Mrs Latham:** Cat, can you tell me what role the private sector should play in climate adaptation? What proportion of funding for adaptation should come from Government and what proportion could the private sector provide?

**Catherine Pettengell:** Thank you for that question. The challenge around talking about proportions is that finance, as it currently stands, does not meet the scale of the challenge. We are still very much just scratching at the surface. At the moment, we really need to focus on increasing funding from all sources as quickly and as sustainably as possible.

Of course, the private sector has a really important role to play in climate action around the world. Specifically in the context of support for climate action in low-income countries and reaching the most marginalised, there really is a need for a massive scale-up of public grant-based finance. That really does need to be prioritised. We have already heard from the previous panel and in other comments earlier about the challenges we have already around getting money to the most vulnerable. In certain contexts, it may not be the private sector that is best placed to deliver that. We are already struggling with some of the systems that we have. The important thing is to make sure the money reaches where it is needed most. Certainly, adaptation really is a public good and does need to come with public finance support.

It is also important that climate action does not come at the cost of unsustainable debt. With private finance, we really do not want to be in a situation where addressing this challenge is adding to the unsustainable debt burden that many countries are facing. Debt cancellation would be one of the fastest ways for many countries to ensure that they have freed up resources to achieve the SDGs and address the climate crisis.

Those are just some of the elements that would need to be considered in that context. Given the underfunding of grant-based adaptation finance that reaches where it is needed most at the moment, there really needs



to be a concerted political push and political effort on scaling that up as quickly as possible.

**Marek Soanes:** Building on Cat's response, as she said, the really important area is to scale up grant-based public financing for adaptation in the most vulnerable countries especially. There are a couple of reasons why that is very important.

First, a lot of the evidence emerging on business cases for adaptation—and there are very few—is not as clear in terms of generating revenue streams and cash flow from adaptation versus mitigation investments, where it is much clearer. The important thing is that, where there are business cases, it tends to be where the private sector is already feeling the pinch from the risks that are currently happening. As we have seen from the Covid pandemic, we need to be preparing for future risks very proactively, not waiting for those risks to happen. We need increased public sector finance to prepare our systems, institutions and skills to be looking into the future. That is absolutely essential.

Secondly, the most vulnerable countries, in which IIED works significantly, have significant debt issues. There is a risk of increasing that debt, but Covid has also increased that substantially. There has been a lowering of credit ratings from the major credit rating agencies, which makes it even harder for them to access the international capital markets. They have an increasingly challenging time doing that just for conventional projects that already have proven business cases, let alone adaptation projects.

Finally, I would just reemphasise the point about public sector finance, particularly in the context of the \$100 billion, which is tiny compared with the trillions that the private sector has at its disposal. If we are counting the leveraging of some little amounts of private sector investment in the context of the total private sector flow as a success, that is a really poor view of value for money. We need to be looking at mobilising and influencing the trillions, not the few billions that contribute towards the \$100 billion. Therefore, we need to focus on getting our public sector funding institutions right over the next five or 10 years' time so that the trillions of capital market finance can securely flow into the most vulnerable countries. At the moment, for those institutions the trust is not in place.

Q57 **Theo Clarke:** My question is first to Cat and then Marek. What is going to be the impact of cuts to UK aid on funding for adaptation? Specifically, how could the cuts affect the UK's presidency of the COP summit?

**Catherine Pettengell:** Information on how the cuts are falling on adaptation programming at the moment is a bit thin on the ground. We are not really getting that information except from our members and the organisations involved, which are telling us that programming is being cut.



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It seems pretty astounding at a time when the UK has to fulfil a commitment to double climate finance and is calling on countries around the world to increase their adaptation finance for COP26, because we know this is crucial to building countries' trust in COP26 and the UNFCCC process. It is really difficult to marry that up with cuts then happening to adaptation programming at the moment. The reason that this is possible is because there is not a requirement to spend that five-year climate finance commitment equally over the five years. We saw that with the five-year commitment last time as well, where there was more of a heavy uplift at the end.

From a quality, efficiency and effectiveness perspective, it does not seem to make sense to close down good programming that you know is happening right now and delivering results and do more of a heavy lift on the five-year target in a few years' time. There is significant wasted impact, wasted resources and wasted cost. We will also lose the trust of the communities that are involved in these projects and leaving them vulnerable and facing impacts for the next few years until that can be picked up again.

At the moment, it is really concerning to see this at a time when we really should be stepping up. As we said before, the UK does have a really good story to tell on adaptation. The UK has been leading in many respects. It does fulfil its 50% commitments. We should really be capitalising on that leadership and strengthening, as Marek mentioned, and bringing to the fore all of the learning that has come from programming up until this point. We should be delivering concrete impacts at scale on the ground rather than shrinking it and then looking to build it up again in a few years' time.

I do fear that it will impact on the presidency. Global challenges such as climate change can only be worked on together through collaboration in these sorts of global processes. Countries that turn up and negotiate in good faith need to know that the promises made and outcomes will be delivered on. We are not seeing that on the \$100 billion; we are not seeing that on new and additional finance. There really is a risk that this damages the credibility of the UK.

**Marek Soanes:** First, the key thing to recognise is that addressing development deficits is an absolutely essential part of building resilience to climate change. Without addressing development deficits, we need to question what the role of climate finance is. As I mentioned, we have been doing some analysis on what the purpose and intentions of the climate finance flow into these developing countries is. If you look at the UK's, it is clear that only around 14% is invested in projects where the primary intention of the overall project is around adaptation and thinking differently. That shows clearly that the vast majority of the amount that is principally reported by the UK is around linking in to wider development investments. That has shown to be really useful and



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successful in many programmes, particularly for at-risk and vulnerable groups.

Reducing the amount of development finance undermines the role that the increase in climate finance and adaptation finance is going to play. What is it going to influence if the development finance is not there to address development deficits? We know as a collective community, from the UN Secretary-General's report last year, that collectively wealthy countries are still not meeting the official development assistance requirements of, for instance, the least developed countries. We need to see them hand in hand; one needs to influence the other.

In terms of the impact it has on the presidency, first, it creates a normalisation that it is okay for other wealthy countries not to deliver on their commitments and not provide adequate financing for the most vulnerable countries, despite it being agreed in the Paris Agreement and despite them being impacted by climate change every day and it getting worse every day.

Secondly, it provides insufficient funding for vulnerable countries to build up their resilience, as I have already mentioned. Therefore, they are becoming more at risk, lives are being lost and people's livelihoods are being impacted.

Thirdly, in terms of successful COP negotiations in four or five months' time, it does not just impact the wealthy nations that are stepping up with new commitments to meet that \$20 billion shortfall to the \$100 billion that has already been mentioned. Everyone is collectively important as part of this negotiation. Every country needs to be doing its bit. If wealthy countries are not stepping forward, if the COP presidency itself is stepping back and undermining those efforts, why would those more vulnerable countries step in and increase their nationally determined contributions?

**Chair:** There were some very good points raised there.

Q58 **Mrs Latham:** I have a question for both of you, probably starting with Cat. If you could change one part of the UK Government's strategy, what would it be?

**Catherine Pettengell:** I really liked the answers given to this question in the first panel. I will not waste time by repeating what has already come, and I will maybe add something different. I have two changes, if I may be cheeky. The first is to get to grips with new and additional finance and to look at new sources of finance. Having been working on climate finance for so many years, it is very discouraging to hear, as we heard in the testimony that you had in the earlier session and today, about the impacts and what communities are facing, and about the reality being more of a moving around of money, rather than getting to grips with the historic responsibility for the causes of climate change and



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that mindset change that is needed to provide climate finance in order to address it. I would be really keen for that to be a big shift.

The second thing, if I may, to touch on something we have not yet mentioned in this session, is to champion finance for loss and damage. So far we have been talking about existing commitments for mitigation and adaptation, but progress has been slow on mitigation, sadly, and adaptation finance has also been slow.

The obvious outcome of that is that there are increasing impacts that have not been adapted to, cannot be adapted to or that are irreversible. In this third era of climate action, we have to address loss and damage. At the moment, there is not the resourcing that is needed on top of the \$100 billion, and we are not even reaching the \$100 billion. That is a real key issue to tackle very, very quickly.

**Marek Soanes:** First, I would say that what I would like the UK's COP26 presidency to continue doing, as it has shown in the climate and development ministerial, is to try to put vulnerable countries' voices at the forefront of increasing the ambition coming up to COP. It is great to see the vulnerable countries at the climate and development ministerial in March showcasing practical solutions to some of the challenges.

I would build on some of the great suggestions that have been said already: improving the definition of climate finance so that it can really take risks and influence other financial flows; as Gebru said, using more business-unusual approaches; and fixing global climate funds. If I can add to that, to create real trust in the system and to bring this all together, it is really essential and potentially a really good moment to try to improve the way climate finance is reported not just in terms of the definition but in terms of the information that is collectively available to citizens, both UK taxpayers and the global community, to track the money and be able to see that it flows to the local level.

We need to fix OECD DAC reporting, the International Aid Transparency Initiative and systems like the UK's own Development Tracker to all work together so we can see a concrete picture. In some of our analysis, we have shown that less than 3% of principal climate finance is tackling gender inequalities primarily and less than 2% is going to indigenous peoples. Hopefully, we can shine a light and see that this is not exactly the case, but at the moment these are the stories that we have to tell, because that is what the data is showing. We need to improve data transparency radically so that we can really understand how we are making progress on adaptation.

Q59 **Chair:** Marek, can I just pick up on the last point you made? You said, "In order to build trust in the system". I am assuming you are talking about the climate finance system. That implies that there is not trust in the system now. You gave the example of the bad news stories. I wonder if you could speak a little more about that lack of trust and how that hampers the work that people are trying to do.



**Marek Soanes:** You will likely be aware that there are various reports that look into understanding how much climate finance is flowing. We have many reports, particularly from the OECD, talking about progress towards the \$100 billion. We have had reports from India, for instance, of the previous COPs showing that is not exactly the case. Over the last year, leading into this COP, we have had numerous reports. Obviously, we had the Oxfam shadow report and CARE's own Fact or Fiction reports on how much climate finance is flowing. This is continuing to say the same story over and over again. Climate finance is being overreported. There is not as much climate finance flowing, particularly for adaptation, as we are led to believe from the donor community. There is between 30% and 60% depending on the stats that you take. Our own analysis shows, in the middle of that, something similar.

First, we have a trust issue of the \$100 billion that has been collectively agreed. It is basically the core pillar of public climate finance and we are \$20 billion behind that based on donor reporting, particularly from the OECD. Then we have that mistrust in delivering on the quantity commitments. We have mistrust from citizens in countries not knowing where the finance is flowing because we cannot track it all the way down to local communities on the ground. We have mistrust because, quite frankly, with the amount of climate finance being reported we know collectively from independent assessments from civil society organisations like ourselves, CARE and Oxfam, that the amount flowing to adaptation is likely nowhere near the amount that is being reported.

To create trust in the system, we need to be fixing these reporting issues and recognising that, at the end of the day, this finance is there to help build resilient societies and economies. If we are not seeing resilient people, societies and economies at the end of that, we are ultimately failing and we are going to pay the price later on. Reporting needs to be seen for what it actually serves, which is the purpose of helping us to progress as a society and global economy on building resilience so we can cope with future shocks. It should not just be seen as something to be keeping face.

Q60 **Chair:** Catherine, we heard in the earlier panel about the reluctance of the international community to put that money in the pot. Could you speak a little on that? Is that a feeling that you get as well?

**Catherine Pettengell:** Sorry, do you mean in terms of donors' interest in—

**Chair:** Going forward with the \$100 billion.

**Catherine Pettengell:** Yes, it has been challenging. Again, it was a promise made in 2009 to achieve this goal. It just has to be delivered. That is the nature of these commitments and these promises. We need to work together and achieve that. While we have a system without a shared definition and different countries accounting different things, we are in a bit of situation where donors can go, "We're doing okay. It's



actually this country over here that needs to do more.” I feel that we maybe saw that a little bit with the G7. Yes, all countries are increasing or have committed to increase, but there is not this shared ownership of the problem. What would have been lovely to see from the G7 is really getting the hands around, “We are collectively in this to deliver it. Where are the gaps? Where are the opportunities to find that? How are we going to work together on that?” It is really challenging. Then, obviously, in the context of the aid budget cuts, it really does feel like, particularly in the UK context, that money is not going to be forthcoming.

Q61 **Chair:** With the UK having the presidency of COP this year, would you expect that leadership and that rallying of the international community to come from the UK?

**Catherine Pettengell:** The UK has a neutral role as president to bring everyone together around delivering what has been agreed, and the \$100 billion has been agreed. The balance of finance between mitigation and adaptation has been agreed. We can see a lot of effort going into this. The presidency team is doing a lot to call on countries to really engage with this and to increase climate finance. It is very important to lead from the front and to lead by example. It is also important to tackle some of the issues such as other sources of finance. What innovative sources of finance can be looked into to increase climate finance, especially for areas such as loss and damage where we are not seeing that scaled up just yet.

**Chair:** Catherine and Marek, we are really grateful for your time and insights. You have made what is quite an impenetrable topic really accessible, so thank you very much for that. We really appreciate your time with us today. Thank you.

## Examination of witnesses

Witnesses: Laurie Lee and Nick Mabey.

Q62 **Chair:** I will now turn to our final panel. We are very lucky to have both Laurie Lee and Nick Mabey. I wonder if you could both introduce yourselves and also the organisations you represent. Laurie, could we start with you, please?

**Laurie Lee:** Thank you. It has been really interesting to watch the session so far. I am a little nervous about being able to add anything to what has been said already, but I will do my best. I am the chief executive of CARE International in the UK. We work across the development humanitarian emergency spectrum and see a lot of how those things are interlinked, including with the climate crisis. We have produced a number of recent reports, which I will probably refer to later, both on some of the climate finance issues you have been hearing about as well as the impact on gender equality that has come up a little bit so far. I can say more about that.



Q63 **Chair:** Thank you. Laurie, are you speaking through your computer or through a microphone because the sound quality is pretty fuzzy? I will turn to Nick and hopefully it will have sorted itself out. Nick, could you introduce yourself and your organisation, please?

**Nick Mabey:** Hello. I am Nick Mabey. I am the CEO and one of the co-founders of E3G, which is an independent think-tank working across Europe and globally on climate change issues. Previously, I was in Government at the Foreign Office and the Prime Minister's Office. As I was told to declare semi-conflicts of interest, I am a Friend of COP, so I advise, on an unpaid basis, the COP president. I am also an unpaid advisor to FCDO on strategic issues and we do get some money from BEIS to run the Powering Past Coal Alliance, an arm's-length institution that we host.

**Chair:** Thank you. I appreciate that clarity. I will hand over to Virendra Sharma for the first question.

Q64 **Mr Sharma:** Thank you, Chair. Nick, has Whitehall's action on climate issues in low and middle-income countries changed considerably in the past two years? If so, what has been the main change?

**Nick Mabey:** There have been two trends. Climate change action has improved immeasurably on the diplomatic level, particularly in middle-income countries and to an extent in lower-income and vulnerable countries, due to the COP26 process. However, climate action has pulled out in many African countries and been affected in many of the higher-income countries because of the aid cuts, so it has been a game of two halves. Diplomatically, it is better. In terms of funding on the ground, there is a very mixed set of issues.

Q65 **Mrs Latham:** Laurie, to what extent does UK climate action take the vulnerability and needs of marginalised groups like women and girls into consideration?

**Laurie Lee:** We are very pleased to see some good commitments, both in Paris but also more recently by the UK Government to making climate finance more gender-responsive. The words on that are looking good, but at the moment the delivery is really low. You have heard a lot from panellists already about the various tiers at which it falls off. We are not meeting the \$100 billion commitment yet—we are only at 80% of that. We are not meeting the half of that for adaptation—we are only at about 20% of that. Half of what is called adaptation is not actually adaptation. Then, only a tiny bit of what is really adaptation is reaching local communities, small organisations and indigenous groups. That includes women-led groups.

Marek just mentioned that the 3% figure, at best, is programming that has a deliberate focus on gender equality. We would like to see that much more like 20% or something like that. That would be a really good outcome from the COP26 this year. In another way, we would also really like to see women much more involved in the negotiations. In Paris, on



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average, if you looked at all the national negotiating teams in Paris, less than 30% of the negotiators were women. It would be really good and it is not too late for the presidency and the UK Government to encourage a much more balanced team to arrive for every country for those negotiations. Of course, there are a lot of conversations about how civil society will or will not be able to participate, given the pandemic.

**Q66 Mrs Latham:** Thank you. You have talked about adaptation and how some of it is not adaptation. Two years ago, the Committee recommended that the UK should continue to spend 50% of international climate finance on adaptation. To what extent, given what you have already said, has the UK Government acted on that recommendation?

**Laurie Lee:** You heard from Cat earlier. The UK Government have done quite well on that, close to 50% and much better reporting. Japan and the World Bank, for example, are grossly overestimating what they claim is adaptation funding. The UK is within a few per cent. of that being accurate. That is our estimate. It is quite good at that. It would be great, based on that reputation, if the UK Government, through their G7 and COP26 presidencies this year, were in a position to put a lot more pressure or encouragement on the rest of the G7, the rest of the parties and the COP to be doing the same. They should be in a really good position to do that, but the aid cuts, which have also come up in the earlier panels, certainly undermine some of their standing to be able to do that.

**Q67 Mrs Latham:** Could you give a practical example of where it is claimed to be adaptation but it is not?

**Laurie Lee:** One of the most practical examples that comes to mind, which I am certain is not a UK example but hopefully still okay, is that as part of a resilience programming, a donor was reporting that resilience to earthquakes was climate adaptation. Clearly, no one is suggesting that earthquakes are happening more often because of climate change. That might be true of weather events but not earthquakes. There is an example for you.

**Nick Mabey:** Just to add something on the adaptation point, while the counting of money looks okay, I must admit there are two things we are quite worried about. The first is the large cuts in Africa in highly climate-vulnerable, fragile states, such as Nigeria and those in the Sahel. We have worked very closely with the UK Government on climate security—from when I was in Government, when I started the whole process to now. The UK has played a really strong role in pushing that, so cutting aid so strongly when it is running UN Security Council debates about climate security risks in Lake Chad and those various places seems to be deeply perverse. In a sense, it does not matter what the adaptation funding is if the conflict funding, which should be climate-sensitive, is not going to those countries. You are not creating any resilience.

The second one is moving away from a public-based adaptation



approach. It was mentioned earlier. There is no point talking about small billions when the trillions of private sector money and infrastructure investment is what matters. The UK launched some really interesting processes in 2019, such as the Adaptation Action Coalition, but it really has not put any effort and weight behind them in the run up to COP. It should be a real UK flagship area and we have really felt that it has not been championed in a similar way to the work on coal. For example, we work with the COP team on coal. We are not seeing the same profile on adaptation resilience, even though the UK looks like a good performer and has a good track record. Again, it is okay on spending the money downstream, it seems, but not so much on changing the big politics and big levers upstream.

**Q68** **Theo Clarke:** My question is to Laurie. How do you rate the performance of the UK Government at the G7? What does the outcome say about the UK's credibility ahead of COP26?

**Laurie Lee:** There was good rhetoric and words, again, at the G7 on the importance of climate change and COP26. However, there was, as earlier panellists have said, very little concrete new action. There was a reaffirmation to longstanding commitment to \$100 billion a year for climate finance, which we should be able to take for granted. However, it is not being delivered, as you have heard already, and no roadmap for achieving that delivery was mentioned. I think Cat said something different, so I might be wrong, but my understanding is that only three of the G7 made specific new funding commitments at the G7. We were pleased to see the UK presidency put those commitments in, as I mentioned earlier, to making sure that climate financing is more gender responsive. We need now to see a plan for that, some targets, ideally, and a really active effort to follow up on that.

Coal was one of the other big things that got some of the attention at the G7. It was good to see ending using international aid to support coal, but, intriguingly, countries did not say that they would stop supporting coal in their own countries. The UK's pledge on not using aid to support other kinds of fossil fuels also has very big carve-outs for the main ways that it funds fossil fuel investment. That is a slightly meaningless commitment at the moment. Overall, the important issues were on the agenda. Good words were said, but there was not a lot of credible action to underpin it. Of course, that was, as we mentioned already, within the context of the aid cuts, which made it hard for the UK to press others for more.

**Q69** **Chair:** Nick, could I bring you back to the answer that you gave to Pauline in relation to the bigger picture? I am aware that your think-tank is looking at climate diplomacy, foreign policy, security and so on. What could the UK Government be doing with their climate adaptation and broader climate budget to link all those together? What would be good? We are very good at criticising when they are making the cuts, but what would good look like?



**Nick Mabey:** We would like to see the UK particularly working with some critical EU partners, particularly the Netherlands, Ireland and Denmark. We would like the UK to take forward a really ambitious agenda on a global adaptation goal on a serious debate on loss and damage, which it did start off at the climate and development ministerial.

We would also like to see the UK put some resources behind cracking some of these difficult problems on how you stop private money leaving poor countries because of climate risks. The one most concrete thing the UK is doing this year is a whole private sector initiative on looking at climate risk in infrastructure. The danger is that that means less money to poorer countries. We would like the UK to convene those countries plus the big financial institutions, including the IMF, which is doing some really interesting work, again, on climate risk, to come up with some really concrete propositions for COP26. We would also like the UK to put pressure on the multilateral development banks, which, outside the African Development Bank and a bit in Latin America, are not spending enough on resilience on adaptation.

There are some big things such as moving the big money, supporting countries and big solutions, and really putting the political weight behind it. That has been the worry. We are really pleased with UK diplomacy on coal. I disagree a bit with Laurie on this. I think the G7 did more on that than he said on fossil finance. We work on MDBs. This is real. It is really impacting the shareholdings. Japan is struggling to work out how to wriggle out of its commitment. It is very uncomfortable. It has put pressure on China. We can see pressure on China because it is the last remaining international coal financier. That, for me, showed there was more there. Each of the countries did commit to making an additional pledge to the \$100 billion. Three put them on the table, but the pressure is now particularly on the US to come forward, and we expect the Italians to come forward in a few weeks. There will be a road map and we know that.

There is progress moving forward. The UK is not in charge of everybody; all it can do is move its own. If we could match the effort we are seeing on the finance and mitigation side on the adaptation side, I would be a lot happier with the UK's performance this year.

**Q70 Chris Law:** A lot of what I have been hearing this afternoon is quite depressing and I am hoping you are going to give us some more positive news going forward. I will ask you about the relationship between the UK and Scottish Governments. Last year, as we know, a letter was written to the Prime Minister asking him to reset the relationship with the First Minister. There was a point where they were talking about moving COP26 to an English location because of the fallout. This year we have learned, through a freedom of information request, which was published in *The Scotsman*, that Alok Sharma has met only three times with Scottish officials and is yet to meet with Police Scotland. This is worrying because this is the biggest and most expensive undertaking Police Scotland has



had. Nick, this may be a bit unfair asking you this question directly, particularly if you have the ear of Alok Sharma. Can you tell me how effectively the UK and Scottish Governments are collaborating with each other and key development stakeholders ahead of COP?

**Nick Mabey:** I do not think they are collaborating half as much as we would like to see them collaborating. We have built some really powerful links with the Scottish Parliament, Scottish universities and Scottish campaigners. All of the non-governmental work is going well. We thought the Scottish Government could play a really strong role, particularly with cities and sub-national jurisdictions. We made this point all the way through last year as well. We are underplaying that. It is caught in the bigger politics of devolution. That is a real shame because, in the end, no one outside the UK understands “four nations, one country” even when we play football. For the rest of the world, this is not understandable.

I am particularly worried about the issue with policing, particularly with the new policing Bill, because this could be the first COP with a major social movement on the streets. We have never really had that before at a COP, with 20,000 people at Copenhagen being the largest so far. How it is policed is going to be absolutely critical. I was an observer for the European Union at the Seattle conference. What happens when you have an unprepared police force, a badly managed negotiation and a lot of emotion is seared in my memory. You can cause geopolitical problems through poorly co-ordinated policing and politics. That is one mistake we do not want to make in this COP as it is so critical for everybody in the world. That requires really sophisticated, joined-up policing, intelligence and negotiators all working together. That includes the UN, which of course will be controlling the conference centre, where often the big sparks fly off, which then ignite the streets. Remember the globalisation protests—everybody seems to have forgotten them. These things can get very big and very ugly very quickly.

Q71 **Chris Law:** I remember getting caught a few years ago at a G20 summit in Hamburg where the riot police were out with their water cannons taking on some of the protestors. Nick, given there is such an impasse, and the co-leader of the Scottish Greens, for example, pointed out that there is a complete lack of engagement with the devolved Administrations, what do you think is needed to break that and what role should the devolved nations be playing in Glasgow?

**Nick Mabey:** It is invidious to say it would be nice to see some grown-up politics, because it seems to be slightly in short supply at the moment, but we need to use our parliamentarians, for a start, to play that role. Executives are Executives, but parliamentarians are parliamentarians. There is a lot that can be done to build the bridges and make the links between the various areas. Civil society, as I say, is very joined up already. Perhaps we should all write another letter; the same letter we wrote last year, saying the same things should happen. Perhaps now, with the whites of the eyes of COP26 and the potential scenarios that could happen there, not all of which are good—there is quite a lot of



jeopardy about a good outcome—perhaps we can get more people pulling together. To be honest, what look like extremely small issues from everybody out there in the real world who are relying on the UK to deliver a successful COP can be moved over. It is a purely political issue that needs to be resolved in a political manner.

**Q72 Mr Sharma:** Nick, following on from Chris, what would be a good outcome of COP26 and what should the UK Government do to ensure that?

**Nick Mabey:** A good outcome is one that, as all of the G7 have said, keeps 1.5 degrees within reach. That means, from where we are now, really big emission reduction commitments from China and the big middle-income countries and a really significant financial package to help countries adapt to the impacts of climate change.

What the UK can do to make that happen is, one, deliver the \$100 billion, because at the moment it is blocking everything, and two, work with its developed country partners through the new B3W initiative at the G7, if it wants to, and at the multilateral development banks, to really show where the trillions are going to come through leveraging balance sheets. That is a piece of financial engineering. It will not cost us anything. It is a piece of financial engineering. These investments are profitable. They just need to be mobilised.

If we can do that and work with India, South Africa and Indonesia to show them that their shift off coal and on to renewables is financeable, that can break the impasse. We are going into Glasgow with some real change in the real economy that people can believe in. Then, at Glasgow, we have to agree how we are going to bridge the rest of the gap to 1.5, because we will not get enough to get to 1.5, and how we are going to help countries deal with the impact.

They are really simple steps. Take the \$100 billion off the table; show where the big money is coming from; move the middle-income countries and intensive diplomacy with China to move them because they are the big guns. Then bring people together, particularly with the vulnerable countries in Africa, to say, "What is the agenda you can all agree to beyond what we have said we will agree already to get 1.5 in reach? Are we all going to tighten up our targets and do it quicker in 2023 or do more on adaptation and loss and damage?"

There is a deal to be done in Glasgow beyond what is on the agenda that people need to push for. To do that, we need the vulnerable countries in Africa, Europe, the UK and the US to come together and agree on that and persuade the other middle-income countries to come along.

That is the COP president's task and it is really hard to do on Zoom—do not underestimate how much Zoom diplomacy has really undermined building global consensus. I want to say this because people often worry about the theatre of COP. Why are all these people turning up? The



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theatre of COP, the emotion of COP, the protestors in the streets, the civil society inside, and the arguments people have over commas are vital to build the spirit that has always ended up achieving amazing things at COP. My big worry is that there is lots to do and doing it online is virtually impossible. The vaccination issue and how we get people to COP—all people and not just Government delegates—is super-important, not just for fairness but for getting that transformational outcome to give the public the faith that this system is working for them.

**Laurie Lee:** I will give a few parts to the answer, if that is okay. One is a straightforward one. I agree with Nick that we need to deliver the \$100 billion a year. We need to be doing that now, not in 2025. The UK could really help us get in that direction by stopping the aid cuts and showing that everyone is expected to live up to financial commitments they have made to the rest of the world.

At CARE we would particularly like to see gender being a much bigger focus of a successful outcome from COP26. There was good progress on that in Paris, but we need to keep building on it. As we have discussed already in the panels today, only 3% of adaptation funding at the moment is focused on improving gender inequality. We would like to see a target for that to be 20%—and not just the target, of course, but actually doing it. The UK Government have taken a good approach to that but could put some of those concrete targets on the table and could do more to encourage people to send a more gender-balanced team to the negotiations. We would like to see that.

Nick mentioned vaccines not just for delegates but for civil society and all the other people coming to COP. There is a broader point about vaccines and we saw it play out at the G7 summit. While there is not vaccine equity around the world, people are very sceptical about negotiations about other issues at a global level. It would transform those negotiations at COP26 if there was a serious plan on the table first to equitably vaccinate the most vulnerable people around the world from coronavirus, not just the people who are coming to Glasgow.

We have spent quite a bit of the panels today talking about climate finance. It still feels like a lot of the time we are seeing it as a cost even though the Stern report 15 years ago made it very clear that the cost of not investing in addressing climate change way exceeds the cost of doing it. Yet, we still scrabble around for the money. It would be good to see that mindset move.

Lastly, you asked about how to achieve it. Chris, you also asked earlier about outreach to the development community as well as to the Scottish Government and police. I cannot comment on the Scottish Government, but in terms of the outreach to the development community by the presidency, I would say that has been good. Certainly, they have sought to reach out, within the limits of time, Zoom and all those kinds of things, to a diverse range of civil society from all over the world, including young



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people, indigenous people and other types of organisations. That has been welcome.

However, I compare that to the way, when I was in government, we worked with civil society in the preparations for the last really big summit in Scotland in Gleneagles, which was the 2005 G8. We understood then, as a Government, that civil society was going to play a really big role in getting the outcome that we wanted from all the other Governments turning up at that summit.

Fundamentally, civil society and the COP26 presidency have the same goal of a really great outcome from this summit. They could be using that joint objective with civil society to build a lot more momentum towards a good outcome if some of those conversations could be focused on how we—small “p”—politically do that around the world and a little less about managing us and making sure that we are not a bad news story or criticised because it is not what we want to do. We all want the same great outcome. If we can work together on that even more effectively than we are at the moment, that is one of the things that will help us get to the good outcome that you are asking about, Virendra.

**Q73 Mr Sharma:** Thank you very much, Laurie. Nick, you mentioned India and other countries. I have a little interest in India. How do you think India, at this time, forgetting about the politics between China, India and others, is looking at COP26 coming up? How are they coming on board? Are they coming on board or are they just sitting and watching from a distance?

**Nick Mabey:** I would say that India is in play, as they would say diplomatically. Obviously, India has a long-standing position that it will not move on anything until it sees the \$100 billion and other things moving forward. Also, India has made one of the most ambitious pledges to move on to renewable energy of any country. To do that, it needs financing because its current financing has really been hit by Covid and the central bank. It is in very active conversations with the Americans, the UK and Germany about how that gap could be bridged as well as forming an extremely exciting alliance with the UK on Green Grids, which is where we work with countries around the world. Apart from financing, the big block for them saying, “Okay, no more coal, cut down on gas and move to renewables”, is knowing its grid can take it, just like it is here.

India could decide in the next few months to pivot in, especially if encouraged by some interesting financing packages from the developed countries and show that it is going to completely bypass a high-carbon development path and move straight to renewables because it is good for India, Indians and access to energy, and therefore really show that it is the maker of the COP. We do not like to talk about China, but of course that would put China in a very interesting position as the highest emitter in the world and, at the moment, with no commitment to reduce emissions, peak in 2030 and then no short-term targets for emissions.



India could play a really pivotal role this year, so I encourage everybody to talk to India. It is going to be an interesting few months.

**Q74 Chris Law:** Thank you, Laurie and Nick, for your fairly extensive answers. Going ahead beyond COP26 this year, not sure how likely that outcome is, what do you see as the continuing legacy for Glasgow and Scotland, of course, and also for the UK at large? Of course, it is not a one-off event; it is an annual event. How do you think we can build on that?

**Nick Mabey:** We are already seeing a legacy outside Government really strongly. We run London Climate Action Week. We have just had an amazing week last week with over 240 events. Even on Zoom world, the mobilisation and the level of interest for everybody from schools to professionals to normal people to finance is stronger than anywhere else in the world. COP has really galvanised people to see that they are part of the solution. They are asking Government to do things, but they are also doing a lot themselves, whether in their neighbourhoods or in their businesses.

It is really important that we keep that whole-of-society approach going, partly because we need that to solve our own problems. That could be a huge domestic legacy of this COP year if we feed it. Again, that is not just a Government issue. That is an issue for cities, parliamentarians, NGOs and businesses. That is the first legacy I would like to see.

I would also like to see a climate diplomacy legacy for the UK. As the country with the largest number of climate diplomats in the world, hopefully with a Glasgow bounce, after Glasgow, hopefully with lots of nice targets, we have to do delivery, delivery, delivery. That requires real engagement with people. We are still president of the COP until the Africa COP in 2022. I fear that, like the French, who dismantled the whole of its COP team really quickly after Paris and therefore at the moment have a very small amount of capacity to do this, the UK, as we have heard, will dismantle the whole of its COP team by March 2022. We think that would be a huge mistake because we are doing so much amazing work with countries to help them change their economies.

On the diplomacy side, I would like the UK to step up its commitment. As the integrated review said, this is the No. 1 diplomatic priority for the UK. We should treat it like that and build a machinery that makes everybody else seriously envious of the profile and impact we are making as a soft power post-Glasgow. While the first one, I feel, is going to happen, in terms of whole of society, whether we take the whole-of-Government approach I am not sure yet. That is definitely a question you should ask the Government.

**Laurie Lee:** I agree with everything Nick said. Despite what Nick was just saying about the French team, people continue to refer back to Paris at the moment as the last big five-year staging post. Of course, it will be a great legacy for Glasgow if that becomes a byword for climate action in



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the same way that Paris has been over the last five years. That obviously depends on a really good outcome.

The other thing we need and Glasgow has an opportunity to do, which refers to your conversation with Nick earlier about the police and everything, is demonstrating that people all want this. To the extent that Governments turning up there are thinking, "Can we afford to invest in climate change? Do people really want us to do that?", having a really strong positive showing by civil society that people all want to see ambitious action on this and that they support Governments who do that and will celebrate the outcome of a good COP would be great.

Again, to draw on my experience, before the Gleneagles summit we had over 100,000 people peacefully, positively but effectively marching through Edinburgh to say, "The G8 needs to do this." If we can see that again in Glasgow for COP, that is right. We see that people movement with Greta Thunberg and so many people around the world and the climate Fridays that so many schoolchildren in so many different kinds of countries are doing. Despite the pandemic, there is an opportunity to show that there is a global consensus of people to take action on this. Governments do not have to fear doing too much on climate change. They need only fear doing too little.

**Q75** **Chris Law:** Just as a very last thought, which can be a yes or no from both of you, as I have been saying for the last few months, yesterday the UN said that climate change should become a human rights issue. In other words, everybody should be engaged. I saw the UN post yesterday that climate change and the impacts of climate change are an issue of children's rights and the future's rights. Do you think that agreeing that it is a right for everyone that we should all be working towards would be something that would be bold to come from the Glasgow agreement?

**Laurie Lee:** I do. The intergenerational nature of climate change is a huge part of it and it is why it is so important that civil society is there. Young people do not have a vote, but they must have a voice.

**Nick Mabey:** Climate change is fundamentally a human rights issue. It is now recognised in the Convention itself and increasingly recognised by the courts, whether that is the German Supreme Court or the Dutch courts. I think this is one of the big new waves beyond protests that is coming out at the moment and is certainly really important as we respond to climate change, because there are lots of rights issues about how we transform and protect people to make sure everybody is protected and that everybody gets a fair deal in the transformation.

**Q76** **Chair:** Nick, why is climate change a human rights issue?

**Nick Mabey:** Fundamentally, it takes away your ability to flourish and achieve your human rights. A good example in the UK is, if you own a fishing quota and, through no fault of your own, the sea warms up and the cod swims north, your percentage of cod in your sea area is



worthless. You probably mortgaged your house to buy the boat and the quota. Your right to livelihood, home and your family is contingent on how that is dealt with, just like loss and damage issues. This is something I did in Government, so this is a real case study. The Treasury will not compensate you for the loss in value of that quota. That is your fault. That is your job. Currently, in the UK, the Government position is no compensation for loss and damage from climate change even though you have no ability to manage that yourself. That is an example of something that is going on all over the world.

If people do not have rights to take to court, to ask for compensation, to ask for protection, to ask for their voice to be heard, they will be bulldozed over by the same inequalities that got us here in the first place. That is why it is a rights issue and why issues of access to justice, the courts and decision making are so important, again, not just for dealing with climate impacts but also for how climate policy is implemented to make sure everybody has a fair deal. To protect the whole of society, some people's rights should not be trampled.

**Q77 Chair:** Laurie, in this session today we have spoken a lot about climate finance. We have spoken about trillions. We have touched on inequalities and you raised specifically the gender inequality. I wonder if you could give us some examples on the ground of the inequalities that climate change is causing and also paint us a picture of, if the investment was made with a local voice as part of it, what difference that would make to the situation that we are in at the moment.

**Laurie Lee:** It helps to answer your question about why it is a human right. It is a human right because it is stopping people enjoying what we would regard as more familiar human rights. We are all fairly clear that people have a human right to enough food to eat. Climate change is causing massive food shortages all over the world. We have the worst food shortages we have seen for decades in the world at the moment. Of people who are chronically hungry as a result, 60% are women and girls compared to 40% men and boys. There is quite a large inequality there. An even larger inequality is people who are forced to flee their homes because of the weather, drought and loss of crops caused by climate change. It is estimated that about 26 million people flee their home every year because of climate change, of which 20 million, so 70%, are women and girls. This is a really large inequality that is caused by climate change.

There are several differences it could make to provide more of the adaptation finance to a wide range of small civil society organisations, indigenous people, for all sorts of groups, including women-led groups. There is a sense that it is simply the right thing to do from an equality point of view. It is also that we know that, if we do not have all perspectives in the decision making, we are not going to make the best decisions that we can and we are going to leave things out by accident or design. Unless we give some of those organisations the funding to lift



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these voices up, when countries are making their decisions about how they will deal with climate change, those perspectives of women and girls, disabled people, young people or indigenous people are not going to be heard.

Simply, most of the finance is going into the really big macro projects, partly because, as Nick was saying earlier, if what you are trying to do primarily is just preserve the world economy, you are going to go, "Where is the big infrastructure? Where is the big economic activity?" That is what we should be doing to protect ourselves anyway. That is contributing to protecting our incomes and livelihoods as much as anything. If some of this is supposed to be coming from the aid programme, it should really be getting to people who are never going to receive the benefit of that kind of activity. That means it needs to come in small accessible grants. You were hearing from the first panel how really hard it is to get hold of these vast grants and long processes for smaller organisations so that they can do what they know works for them.

In fact, DFID had a really interesting track record of doing work like that. It is going to be really important that we see that that continues and is increased. There was an excellent programme they had called BRACED that worked in that Sahel region, which Nic was talking about earlier. We have lost the funding for Sahel—we have lost the funding for BRACED 2. What is going to replace those things and get to those people.

**Chair:** Thank you very much. Laurie and Nick, we really appreciate all the commitment that you have in this area and you sharing your knowledge with this Committee. It has been a fascinating session and we are, as you could probably see at different points with different panellists, shocked at what we are hearing. We will make sure that we amplify that and that, particularly with COP26, the Government do the right thing around climate change and climate action, because they have a very good base to start from. Thank you all. Thank you, Committee members.