

International Development Committee inquiry: Climate change, development and COP26

Concern Worldwide UK submission, 10 May 2021

About Concern Worldwide

1. Concern Worldwide is an international development and humanitarian organisation dedicated to the elimination of extreme poverty. We have been operating for more than 50 years and work with 28 million people across 24 countries, in some of the hardest to reach and most fragile places.

Our submission to the inquiry

2. We welcome the opportunity to submit written evidence in response to this inquiry. With the UK COP26 Presidency, and as the government develops its new strategy for international development, it is particularly timely to revisit the recommendations of the IDC report on [UK aid for combating climate change](#), many of which remain relevant. This submission focuses on:
 - i. The UK's aid cuts and long-term climate finance needs;
 - ii. Mainstreaming and prioritising climate change across development;
 - iii. Increasing transparency of UK climate finance;
 - iv. Ensuring climate action delivers for the SDGs and those countries and people being left behind; and,
 - v. Areas the UK must progress for success at COP26.

Questions 1 and 2: UK progress on the Committee's recommendations on climate change finance, and remaining gaps

The Government should consider the options for additional climate finance: no progress

3. The IDC's report recommended that the UK must scale up efforts on climate change beyond that funded by International Climate Fund (ICF), considering the options for additional climate finance, including from public sources. Progress has not been made in this area, with the UK's climate finance continuing to be drawn from the aid budget. This issue has become even more crucial in the context of rising levels of hunger globally, the ongoing covid-19 crisis and cuts to the UK aid budget.
4. Climate change makes it more difficult and more costly for developing countries to reduce poverty, which is why climate finance must be 'new and additional' to flows of development assistance. Climate-vulnerable countries face multiple threats that compound each other, including health crises, fragile economies and debt, and conflict.
5. The communities that have done the least to cause this crisis are suffering its worst effects. Concern works with many of the people and communities facing the worst effects of climate change. For example, in Somalia, the country ranked as being most vulnerable to climate change by the ND-GAIN index¹, our programmes respond to the effects of disasters, such as drought and floods, as well as population displacements caused by conflict and ongoing insecurity. We work on emergency responses and longer-term programmes that seek to

¹ <https://gain.nd.edu/our-work/country-index/rankings/>

build the resilience of affected communities. The people we work with are necessarily incredibly resilient; building their lives and livelihoods in often already difficult conditions. But without investment and support, they have little hope of adapting to the devastating effects of climate change. Those most responsible for climate change have a moral obligation to cover the costs of adapting to its negative impacts.

6. Annual adaptation investment needs in developing countries are currently estimated to be in the range of US\$70 billion, with the expectation of reaching US\$140–300 billion in 2030 and US\$280–500 billion in 2050². It is not sustainable for these investments to come from existing aid budgets. The UK must lead the way in beginning to identify new sources of grant-based public climate finance, particularly for adaptation, to ensure that climate support does not come at the expense of vital ODA spending in other areas. It is clear that ODA budgets alone will not be sufficient to meet rising climate finance costs alongside other critical development needs.

Climate change needs to be recognised as a cross-cutting strategic priority in the UK's aid spending and should be comprehensively integrated across all development assistance strategies: partial progress

7. The IDC report recommendations highlighted that climate change also needs to be recognised as a cross-cutting strategic priority in the UK's aid spending and should be comprehensively integrated across all development assistance strategies.
8. The Government has committed to aligning all UK aid spending with the objectives of the Paris Agreement. In addition, since the formation of the FCDO, climate and biodiversity has been made one of the department's seven thematic priorities. These are positive steps. However, as the FCDO is a newly formed department, it will take time to see what prioritisation means in practice.
9. In implementing the climate and biodiversity priority, the FCDO should take a people-centred approach, with poverty alleviation as a principle priority. As is recognised in the IDC's report there are potential trade-offs between poverty alleviation and environmental goals. Often it is those most marginalised that lose out when there are trade-offs between different actions³. Given the poorest and most marginalised are most impacted by climate change, the UK must undertake greater participatory and locally-led approaches to ensure marginalised groups and people are engaged and driving climate and biodiversity efforts. This can also lead to better outcomes; research shows forest management by Indigenous Peoples in Latin America is a more effective conservation strategy than Protected Areas⁴. It is therefore welcome that the UK has committed to support the 'The Principles for Locally Led Adaptation'⁵, which aim to ensure climate adaptation is led by local people. The UK should ensure the principles are applied to all climate and biodiversity spending.

² UNEP (2020) Adaptation Gap Report 2020. <https://www.unenvironment.org/resources/adaptation-gap-report-2020>

³ Mace, G., Schreckenberg, K. and Poudyal, M. (2018) Ecosystem services for human wellbeing: Trade-offs and governance, Ecosystem Services and Poverty Alleviation, Routledge London
<https://doi.org/10.4324/9780429507090>

⁴ FAO and FILAC. 2021. Forest Governance by Indigenous and Tribal People. An Opportunity for Climate Action in Latin America and the Caribbean. Santiago.

⁵ <https://www.iied.org/principles-for-locally-led-adaptation#principles>

The UK should take the opportunity to be a global leader on climate finance accounting and reporting by improving transparency of ICF spending, impact and monitoring methodology: no progress

10. While the government agreed with the IDC recommendation that a cross-departmental update of the ICF strategy would be timely and useful to ensure that the ICF remains focused on where it can have most impact, limited progress has been made on this. There is currently no public strategy for the ICF, and no clarity on how spending decisions are made or methodology for measuring impact. Increased levels of transparency are needed on how local actors and communities are involved and enabled to drive decision-making. It remains difficult to explore what is being funded by the ICF using DevTracker, meaning there is a lack of transparency on how ICF is spent.
11. The UK is a leader internationally on many aspects of its climate finance; its commitment to investing 50% of climate finance on adaptation, the high proportion of grants, and the programmes it has supported to build long-term, sustainable capacity to respond to climate change in developing countries. But without a clear strategy and transparency the UK is limiting its ability to catalyse greater and more effective support globally for tackling climate change in developing countries. The current levels of aid cuts also represent a threat to what has been achieved so far.
12. Development of the ICF strategy should draw on the best available expertise from researchers and practitioners. Civil society, particularly local and national civil society in low-income countries, has an important role to play in working with people most effected by the impacts of climate change. They therefore have essential understanding of what is required to ensure that the ICF can have the biggest impact on peoples' lives. The strategy should be developed in a transparent and consultative way.

Question 3: The extent to which the Government's work to date on climate change and development has taken the UN Sustainable Development Goals and the needs of low-and-middle income countries and vulnerable groups into account

13. A core component of the SDGs is the principle of 'Leave No One Behind'. The OECD estimates that 23% of the world's population, and 77% of those classified before COVID-19 as extremely poor, live in "fragile" contexts⁶. Many of the countries that will be worst affected by climate change are fragile and conflict-affected settings (FCAS). Eight of the ten most climate-vulnerable countries are extremely fragile⁷. In recognition of this growing concentration of people living in extreme poverty within fragile contexts, the UK's 2015 Aid Strategy set out the goal of spending 50% of DFID's budget in fragile states and regions.
14. On a global level, climate finance has thus far struggled to flow to those most in need. Least Developed Countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. There is significant overlap between the countries categorised as LDCs and FCAS. At present, only an estimated 20.5% of reported climate finance has gone to the LDCs⁸. Even funding for climate change adaptation and DRR does not

⁶ OECD (2020) States of Fragility 2020, OECD Publishing, Paris, <https://doi.org/10.1787/ba7c22e7-en>

⁷ IFRC (2020) World Disasters Report https://media.ifrc.org/ifrc/wp-content/uploads/2020/11/IFRC_wdr2020/20201113_WorldDisasters_3.pdf

⁸ Carty, T., Kowalzig, J. and Zagema, B. (2020) Climate Finance Shadow Report 2020

consistently prioritize the most vulnerable countries with the very highest levels of climate- and weather- related risk and lowest capacity to manage those risks⁹. Only a quarter of bilateral financing, and less than half of the major multilateral financing, has targeted the most climate-vulnerable countries with adaptation funding from 2010–2017¹⁰. These average figures also hide significant disparities between countries with many highly vulnerable countries left behind, receiving relatively little. None of the 20 most vulnerable countries were among the 20 highest per person recipients. Somalia, the most vulnerable, for example, ranks only 71st for per person funding disbursements¹¹.

15. Globally, the neglect of low-income and climate-vulnerable countries in the provision of climate finance is a problem that has persisted for a long time. While adaptation needs are great in all climate-vulnerable countries, this is particularly true in fragile and conflict-affected settings¹². Fragile states do not receive preferential targeting from donors for climate finance. Climate change exacerbates factors that can ultimately lead to conflict¹³. Conflict intersects with climate impacts and uncertainties, and vice-versa, impacting the poor and most marginalised people. In fragile and conflict-affected states, conflict-sensitive programming that is locally appropriate and addresses the climate change and environmental drivers of conflict is needed to deliver action on adaptation.
16. Compared to the global trends, the UK's record on targeting of climate finance at the most vulnerable countries is positive. An estimated 41% of the UK's climate finance went to LDCs; a comparatively high figure. The UK commitment to FCAS and its high proportion of grant-based climate finance is likely to have enabled this. Looking ahead, in order to achieve the 'leave no one behind' principle of the SDGs, it will be essential for the UK to recommit to a funding target of 50% of ODA for FCAS. The UK's legacy on this must not be lost. The UK should also use its influence globally to ensure better targeting of funding towards those people and countries that are most in need.
17. Women and men experience the impacts of climate change differently. Women's vulnerability is increased by their socio-economic status and their unequal access to resources and decision-making processes. All climate finance should therefore be 'gender sensitive' - meaning it should identify and take into account the different needs, abilities and opportunities of girls, boys, women and men. However, climate finance should also aim to be 'gender transformative' – addressing social norms and attitudes around gender equality. Without addressing these underlying norms, initiatives that aims to empower women can

<https://www.oxfam.org/en/research/climate-finance-shadow-report-2020>

⁹ IFRC (2020) World Disasters Report https://media.ifrc.org/ifrc/wp-content/uploads/2020/11/IFRC_wdr2020/20201113_WorldDisasters_7.pdf

¹⁰ Zurich Flood Resilience Alliance. 2020. At What Cost: How chronic gaps in adaptation finance expose the world's poorest people to climate chaos. <https://floodresilience.net/resources/item/at-what-cost-how-chronic-gaps-in-adaptation-finance-exposethe-world-s-poorest-people-to-climate-chaos/>

¹¹ IFRC (2020) World Disasters Report https://media.ifrc.org/ifrc/wp-content/uploads/2020/11/IFRC_wdr2020/20201113_WorldDisasters_7.pdf

¹² IFRC (2020) World Disasters Report https://media.ifrc.org/ifrc/wp-content/uploads/2020/11/IFRC_wdr2020/20201113_WorldDisasters_3.pdf

¹³ Peters, K., Dupar, M., Opitz-Stapleton, S., Lovell, E., Budimir, M., Brown, S. and Cao, Y. (2020) Climate change, conflict and fragility: An evidence review and recommendations for research and action <https://odi.org/en/publications/climate-change-conflict-and-fragility-an-evidence-review-and-recommendations-for-research-and-action/>

have limited results. Our research, and programmatic experience, has proven that equality will never be achieved if men are not engaged, consulted and trained as allies and ambassadors¹⁴. Initiatives should have a goal of changing social and gender norms that engages not only women but men as well, and their attitudes and behaviours towards masculinity and gender equality.

18. Data availability and reporting transparency makes analysis of gender spending within climate finance difficult. However, estimates indicate that at a global level only a small portion (1.5% of climate-related ODA) identified gender equality as a primary objective and around third (34%) identified gender equality as an important but not principal objective. This means that the remaining two-thirds indicated that gender equality was not a significant objective (33%) or that projects were not screened (32% not marked). The UK should ensure that gender equality is a core component of its climate finance spending, integrated in a way that recognises the importance of women's leadership in delivering adaptation and ensures human rights are protected in implementation.
19. Lastly, to ensure it meets the needs of vulnerable groups, the UK should ensure that its climate finance strengthens the decision-making power of, and direct implementation by, affected people and communities – particularly marginalised groups (women, children, people with disabilities, Indigenous Peoples, etc.), and that it strengthens local structures, processes, and institutions according to their needs and priorities.

Question 4: The potential of COP26 to address these remaining challenges effectively and the steps the Government needs to take if COP26 is to succeed in tackling them.

Areas the UK must progress for success at COP26

20. Concern recommends three areas where it is critical that more progress is made: adaptation funding, loss and damage, and long-term climate finance. The UK has a unique opportunity and moral obligation to galvanise action on these areas. By using key moments and its presidency of the G7 and COP26 to garner greater political ambition, the UK can secure an increase in the quality, quantity, and accessibility of adaptation finance going to the poorest and most vulnerable.

a. Climate change adaptation

21. Despite the pace of escalating climate impacts, the adaptation finance gap is not closing fast enough. A radical improvement in investment in adaptation is needed. Global adaptation finance only reached USD \$15bn per year in 2017/2018¹⁵, falling well short of the Paris Agreement commitment from developed countries to provide a balance between adaptation and mitigation finance. The countries most vulnerable to climate change have not been prioritised¹⁶. Grant based support, which is crucial for adaptation in low-income

¹⁴ Concern Worldwide and Sonke Gender Justice (2018) Engaging Men and Women to promote Gender Equality, Facilitators Manual <https://www.concern.net/insights/engaging-men-and-women-promote-gender-equality>

¹⁵ Oxfam (2020) Climate Finance Shadow Report 2020 - Assessing progress towards the \$100 billion commitment. <https://www.oxfam.org/en/research/climate-finance-shadow-report-2020>

¹⁶ Zurich Flood Resilience Alliance. 2020. At What Cost: How chronic gaps in adaptation finance expose the world's poorest people to climate chaos. <https://floodresilience.net/resources/item/at-what-cost-how->

countries, is too low with the overwhelming majority of climate finance being provided in the form of loans, increasing debt burdens¹⁷.

22. The UK must lead global efforts to ensure climate finance is urgently and significantly scaled up, and access improved for poor and vulnerable countries and communities, in particular grant-based finance. This includes maintaining the UK's commitment to provide 50% of its climate finance for adaptation, and supporting the call for other countries to do the same. This also means championing a new global adaptation finance goal and the scale up of locally-led adaptation and support that is accessible and responsive to the needs and rights of women, children, and other marginalised groups.

b. Address Loss and Damage

23. Loss and damage refers to the impacts of climate change on people and nature, where adaptation has not occurred or is not sufficient to withstand the impacts. Loss and damage has been recognised in the UNFCCC negotiations since the early 1990s and is enshrined in Article 8 of the Paris Agreement as an area of climate action alongside mitigation and adaptation. Despite the devastating loss and damage being suffered around the world, virtually no progress has been made on this vital area of climate action. That needs to change at COP26.
24. More and more people are facing significant and frequent impacts of climate change, which are reversing development gains. These are having the biggest impacts on the poorest and the most vulnerable people in developing countries.
25. As COP26 host this year, and following from its G7 presidency, the UK must facilitate a constructive process that concretely advances action on loss and damage at COP26 – including scaling up finance to address loss and damage, and acknowledging it as the third pillar of climate action on a par with mitigation and adaptation.

c. Long-term climate finance

26. The recent cuts to UK aid undermine a core aim of the UK COP26 presidency – to increase support to vulnerable countries to fight climate change. Maintaining the UK's commitment to its climate finance is vital. But following the recent cuts, it is also more important than ever that new sources of public climate finance are found so that climate support does not come at the expense of vital ODA spending in other areas. In Bangladesh for example, roughly a quarter of the population is suffering from extremely high rates of malnutrition. There are still around 40 million people living in poverty and 20 million extremely poor people. Bangladesh is highly vulnerable to the impacts of climate change. But the people we work with also face challenges in accessing nutritious food, basic healthcare and education. Trade-offs between these areas should not have to be made.

[chronic-gaps-in-adaptation-finance-exposethe-world-s-poorest-people-to-climate-chaos/](https://www.oxfam.org/en/research/climate-finance-shadow-report-2020)

¹⁷ Oxfam (2020) Climate Finance Shadow Report 2020 - Assessing progress towards the \$100 billion commitment. <https://www.oxfam.org/en/research/climate-finance-shadow-report-2020>

27. Identifying new sources of public climate finance will not be resolved by COP26, but the UK must make sure it is on the political agenda domestically, for other high-income countries and when parties to the UNFCCC are addressing the post-2025 climate finance goal.