

INTERNATIONAL DEVELOPMENT COMMITTEE CALL FOR EVIDENCE: FUTURE OF UK AID – THE CO-OPERATIVE GROUP RESPONSE

The Co-operative Group is the UK's largest consumer co-operative, with 4.6 million active members and a presence in every postal area in the country. We're a major food retailer and wholesaler, the largest funeral provider in the UK, and we provide life planning services and insurance products. Our businesses are all UK-based and our main support centre is in Manchester.

Here at the Co-op, we champion a better way of doing business. From ensuring the ingredients we use in our food products are sourced as sustainably as possible, to our approach to protecting the fundamental rights of workers in our global supply chains, to how we have responded to the COVID-19 pandemic, our focus is on doing the right thing for people and planet.

The ongoing impact of the pandemic will define the prospects of a whole generation – and we know that whilst we have all been weathering the same storm, we haven't weathered it from the same boat. The climate crisis – without similarly urgent and unprecedented levels of action from Governments around the world – will be significantly more catastrophic on an enduring basis, defining the prospects for all future generations.

In our recently published [10 Point Plan to tackle the climate crisis](#), we set out three guiding principles for our plan to achieve our targets, endorsed by the Science Based Targets Initiative and in line with the carbon reduction that is required to cap global temperature increases and meet the goals of the Paris Agreement:

- we'll follow the science in our target-setting and decision-taking – above all else, we must rapidly reduce the carbon we put in the air;
- we'll work for a fair and just transition for people and planet with all our members, customers, partners and suppliers – solving the climate crisis can't come at the expense of those who can least afford it; and,
- we'll co-operate to drive systems change at every level in the lives of our customers and their communities because we recognise that we are stronger and more effective when we work with others.

As we have seen throughout the pandemic, we are reliant on the global food system for the food we enjoy here in the UK. But the reality is that for many of our suppliers, the impact of the climate crisis is as immediate and pressing as the impact of COVID-19. We hear loud and clear from the producers in our supply chain that they are already seeing first-hand the ravaging impact of changing weather patterns and emergence of pests and diseases that devastate crops. It's jarring that the inequity that many of those whose lifestyles mean that they are contributing the least to the climate crisis are already suffering its worst effects, whilst having the least means to take action. It's crucial that we ensure producers in low income countries receive adequate support to cover the cost of adapting to climate change and transitioning to low carbon production.

We welcome the Government's ambition to lead the way in tackling the climate crisis and in doing so believe it would be entirely compatible with that ambition to reverse as quickly as possible the decision to pause its landmark commitment to dedicating 0.7% of the UK's Gross National Income (GNI) to overseas development. That funding is vital to life-changing

work in communities around the world, funding programmes and projects in the very places that are vital to ensure we can continue to eat and drink the food that we love.

There are two principal reasons for our response to the International Development Committee's Call to Evidence on the future of overseas aid.

Firstly, because we welcome the fact that the Secretary of State for Foreign, Commonwealth and Development Affairs has listed climate and biodiversity at the top of his priorities for tackling poverty reduction through Official Development Assistance. We absolutely support the UK Government in taking a bold leadership stance to ensure that the funding needed remains available especially for climate resilience projects in the communities already facing the impact of the climate crisis. It's the right thing to do.

Secondly, it's been over a decade since the UN climate talks in Copenhagen, where the world's richest countries – including the UK – agreed to spend \$100bn a year on climate change finance, for adaptation and mitigation, by 2020. Despite some progress, and this target being a key goal of The Paris Agreement, the target is not being met, which is why it's absolutely right that the UK Government has made delivering on this priority for the COP26 summit. The question of 0.7% sits alongside this global commitment, but given how important this target is for COP26, we call on the Chancellor of the Exchequer to make this ambition real and return to the Government's 0.7% commitment without delay. The UK can – and should – take the lead to secure commitments towards climate finance from other world leaders.

As a member-owned business, we know that a better society requires a better way of doing business. When it comes to affordability and fiscal responsibility, we believe the 0.7% commitment is robust in its affordability given its alignment with GNI is built in.

Here at the Co-op, we're committed to investing above and beyond 0.7% of our pre-tax profit in international development projects, and it's a principle we're committed to upholding. In 2020, for example, we invested £3.3m internationally. This included projects such as water, hygiene and sanitation support in some of the world's poorest communities through our partnerships with One Water and Water Unite, support for conservation and reforestation in Borneo in partnership with Chester Zoo, and provision of food parcels and PPE to 2,000 Fairtrade farmers and workers who produce our cocoa in Peru in partnership with our supplier ICAM Chocolate UK. Numerous additional projects include supporting our Fairtrade farmers with emergency relief, fighting deforestation in the Gola rainforest and funding renewable energy projects in India and Panama.

We've been investing in the communities that are a vital part in our global supply chains. Alongside our call for the UK Government to reinstate its commitment to 0.7%, we call on other businesses to review the that they can play in investing in local communities, specifically in climate finance for adaptation and mitigation. Doing so would recognise the urgency required to address UK consumption carbon emissions that originate abroad, and to give international co-operation a fighting chance to achieve a fairer world for people and the planet.