

UK Youth Climate Coalition submission to the International Development Committee inquiry into the effectiveness of UK Aid.

Introduction:

1. [UK Youth Climate Coalition \(UKYCC\)](#) is a voluntary and non-profit organisation of 18-29 year olds from all across the UK. Our mission is to mobilise and empower young people to take positive action for global climate justice.
2. We are deeply concerned about the damaging impact that UK aid support for fossil fuels is and will have on young people and other vulnerable groups across the globe.

Youth Summary:

3. The International Development Committee should investigate the effectiveness, legitimacy and transparency of UK aid expenditure into overseas fossil fuel investments.
4. The aid budget is currently being used to finance both the causes of the climate crisis and the remedy of it.
5. Supporting fossil fuels overseas fails the poorest people the aid budget is supposed to help. Climate impacts such as food insecurity and increased disease will hit them the hardest, and renewables meet their energy needs more cheaply and effectively than fossil fuels.
6. Other government departments are failing to embed the principle of climate justice in public finance and are providing further financial support for fossil fuels overseas. UK Export Finance is supporting projects which are producing the [same amount of emissions as the whole of Portugal](#).
7. Overseas investment in fossil fuels undermines wider government commitments to climate mitigation and adaptation in the Paris Agreement. The UK's credibility as a climate leader is being damaged by these investments and they threaten to undermine diplomatic efforts for COP26, the UN Climate Summit to be held in Glasgow.
8. The Government's willingness to finance new fossil fuel infrastructure overseas after having set a target of zero emissions at home is scandalous. Young people are increasingly anxious about the climate crisis, and this hypocritical approach discredits the UK Government in our eyes.

The scale of the problem:

1. The Government's development finance institution, the CDC, is supporting at least [16 oil and gas projects in Africa](#). A further £750 million of aid money was invested in

fossil fuels between 2002 and 2018 through investment in the Private Infrastructure Development Group (PIDG).

2. These investments are just the tip of the iceberg. CDC has likely invested further aid money in fossil fuels through intermediate investment funds. PIDG uses funding from DFID to enable considerably more money from private investors to be raised for fossil fuel projects.
3. The effectiveness of UK aid spend on climate change is being further undermined by other Government departments' and cross-department funds' support for fossil fuels overseas. UK Export Finance is a key culprit, having [given £2 billion to fossil fuels in 2017-8](#) alone, as well as the cross-departmental [Prosperity Fund](#).
4. The first duty of government should be to protect life, but continued public support for fossil fuels willfully endangers lives. BBC Newsnight estimated that the emissions from projects supported by UK Export Finance [alone will produce carbon emissions equivalent to the whole of Portugal](#), equivalent to a sixth of the total carbon emissions of the UK.
5. Carbon emissions on this scale will inevitably make the Government at least partly responsible for the loss of jobs, homes and ultimately lives. Targets of UK aid - people experiencing poverty and younger generations - will be most affected.
6. The Committee should demand that the Government reveals all direct and indirect aid spending on fossil fuels, as well as the private investment in fossil fuels that has been facilitated through aid spend.
7. As highlighted below, fossil fuel subsidies sabotage every objective of the Department for International Development (DFID). The Committee should recognise this by amending the UK's definition and administration of aid to exclude direct and indirect support for fossil fuels.

Impact of fossil fuel subsidies on aid effectiveness:

The Government's support for fossil fuels overseas through both ODA and non-ODA finance sabotages all six of the [Department for International Development's stated objectives](#):

1. The first objective - "Peace: Strengthen global peace, security and governance" - is undermined both directly and indirectly through fossil fuel subsidies. As recent low prices demonstrate, oil prices can move by 50% within months, with this price [volatility destabilising economies](#). Oil and gas production is frequently linked to [corruption and tax avoidance](#), whilst changes in climate will [exacerbate the stresses that lead to conflict](#).
2. The second objective, "Planet: Strengthen resilience and response to crisis", is entirely incompatible with continued support for fossil fuels. Whilst the Government has committed to [doubling the UK's international climate finance spend](#), its development finance institution, CDC, continues to support at least [16 oil and gas](#)

[projects](#) in Africa. Meanwhile UKEF is supporting projects [which emit nearly a sixth of the total annual carbon emissions of the UK](#), the equivalent produced by Portugal.

3. Thirdly, DFID's efforts to "Promote global prosperity" will only be weakened by supporting fossil fuels. [CDC continues to invest](#) huge amounts in fossil fuel infrastructure. This is despite evidence showing new fossil fuel infrastructure will breach the [1.5° carbon budget](#) and risk destabilizing the financial system by inflating a '[carbon bubble](#)'.
4. The fourth objective, "Tackle extreme poverty and help the world's most vulnerable", will not be aided by fossil fuel subsidies. Any benefits of fossil fuel subsidies [accrue to the rich in aid-recipient countries and do little to help the poorest access energy](#). The Intergovernmental Panel on Climate Change has noted that the climate crisis is, and will increasingly, exacerbate [poverty, disease and loss of livelihoods](#).
5. A key test of objective five, "Support an effective multilateral system", will be the UN Climate Summit, COP26, where the UK Government is host. However, the continued investment in overseas fossil fuel infrastructure through the aid budget and other sources is a major credibility problem for UK environmental diplomacy. Continuing this contradictory approach of claiming to be a climate leader whilst funding fossil fuels overseas risks the Government becoming branded as a climate hypocrite.
6. The last objective "Quality: Improve the value for money and transparency of UK aid" has been critically undermined by investment in fossil fuels. Far from providing value for money, the Government is using the aid budget to finance both the causes of the climate crisis and the remedy of it. Further, there is a lack of transparency over precisely how much of the aid budget is supporting fossil fuels. This enables the government to continue its current hypocritical approach.

Conclusion

1. The International Development Committee should investigate the effectiveness, legitimacy and transparency of UK aid expenditure into overseas fossil fuel investments.