

Environmental Audit Committee Parliamentary Inquiry: Climate Change and Security CAFOD Response - April 2024

About CAFOD

1. CAFOD is the official aid agency for the Catholic Church in England and Wales; part of the global Caritas confederation of national organisations, each governed by their national Bishops' conference and linked to national Catholic commissions on health, education, and peace/justice issues. CAFOD partners with diverse local NGOs in its operations, including both faith-based groups and others working on human rights and other issues regardless of religion or culture. Support for local agency, voice and leadership, equitable partnership, solidarity and investment in strengthening local and national civil society actors are at the heart of CAFOD's mission and way of working.
2. Note: CAFOD is only submitting responses under Part 2 "Potential Solutions" questions e and f.

Potential Solutions (Part 2)

e. How best can funding be targeted towards climate adaptation and emergency response solutions?

3. Climate change punishes the poorest, and those who have contributed the least to the crisis, the most. The need for additional funding to tackle climate change is clear, as the consequences of climate change are more and more apparent; increases in water scarcity, fires, melting polar ice, catastrophic storms and damage to biodiversity, to name just a few impacts.¹ The link between climate change and international insecurity is clear; with greater competition for resources, displacements due to climate impacts such as flood and drought, and disruption to international food systems, we are all negatively affected. For example, the UK imports nearly 50% of the food it consumes, and so any impact on global food systems is felt on the dining tables of families in the UK. Pope Francis puts it clearly in *Laudato Si'*; "It cannot be emphasized enough how everything is interconnected."²

¹ UN "What is climate change?" available: <https://www.un.org/en/climatechange/what-is-climate-change>

² *Laudato Si'*, Pope Francis, paragraph 138, available: https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html

4. The UK Government should advocate for changes to the global economic architecture to increase resources for tackling climate change, particularly for the low-income nations that are most affected. Such resources should be drawn from justice-based revenue sources – those who have historically contributed the most to climate change should contribute the most to support countries and communities on the front line of climate response, which in turn benefits and bolsters international systems and security.
5. While aid response for climate emergencies is, and will continue to be, hugely important and in many cases lifesaving, financial support and reform needs to move beyond emergency aid alone – including through an ambitious New Collective Quantified Goal on Climate Finance.
6. Structural change, as opposed to ad hoc cash injections when emergencies strike, is also needed to better equip communities tackling climate change.
7. There are three key areas the UK Government should focus on:
8. **Fixing the broken global tax architecture.** Companies and individuals who are contributing the most to the climate crisis, and who are often keeping huge profits in tax havens, should be targeted for fairer and more progressive taxation. Such taxation reforms do not impact the average taxpayer, and in turn the Government, but provide an alternative and fairer approach to freeing up funding for the climate change response. Those polluters, who can afford to pay, should contribute much more.
9. **Resolving the new global sovereign debt crisis.** 41% of the total external debt owed by lower-income countries is owed to private lenders.³ Private creditor debt in low- and middle-income countries is having a huge human cost, with many countries having to focus on debt repayments rather than supporting their citizens by investing in tackling climate change, and investing in economic development, health and education. The UK and New York have unique power to improve this situation through new private creditors legislation, as most of the private lender contracts in question are written under English or New York law. For the poorest countries, 90% are governed by English law.
10. **Reforming international financial institutions.** The UK should use its influence to ensure greater democratic representation and accountability in such institutions, so the voices of those most affected by the climate crisis are better

³ 41% of lower income country external debt repayments are due to Western private creditors between 2023-9, <https://debtjustice.org.uk/wp-content/uploads/2023/05/DJ-CAFOD-Parliamentary-Briefing-Legislative-Reform-May-23.pdf>

heard. Such reforms should include greater transparency in World Bank and International Monetary Fund governance mechanisms.

11. CAFOD's forthcoming paper on fair finance for tackling climate change will outline in more detail guidance on the above approaches; the paper will be shared with the Environmental Audit Committee once published.
12. Additionally, UK funding for fossil fuels in the UK and abroad, which is fuelling the climate crisis, needs to end, and the next UK NDC must show the 'stretch' that it has previously called for from other countries.
13. Localisation is also central to climate adaptation and emergency response. CAFOD works through local actors on the ground for the delivery of programming to best address community needs and build local capacity for longer term solutions. Local and national agencies, particularly faith actors, are well placed in communities to respond to short term crises and longer term systemic challenges; they are of the community and able to reach areas where others can't, they have local knowledge, awareness and access, and are there before, during and after disaster strikes.
14. One way to channel funding to local actors is through finance for agroecology and building on actions already started by the UK government to repurpose harmful agricultural subsidies towards more sustainable and climate-resilient agricultural practices.
15. The UK Government should ensure that more ongoing and future climate adaptation and emergency response funding is channelled towards local and national agencies, in a measurable way to meet international commitments such as those under the Grand Bargain.

f. What more can the UK Government do to encourage global co-operation on climate security issues?

16. CAFOD agrees with the assertion made by the EAC on the negative impacts of climate change leading to increased pressure on resources, increased conflict, and more humanitarian crises.
17. The UK Government should push to better address loss and damage; the destructive impacts of climate change that have not been or cannot be avoided through mitigation and adaptation efforts. Such negative impact undermines efforts and progress towards meeting the Sustainable Development Goals.
18. The figures are stark: The Food and Agriculture Organisation (FAO) estimates that, between 2008 and 2018, natural disasters caused more than USD 108 billion of productivity losses in the agriculture sectors of low- and middle-income countries.

These losses affected crop and livestock production, forestry, fisheries and aquaculture, as well as people's livelihoods.

19. The UK Government should support an intergovernmental loss and damage finance facility to enable countries affected by climate disasters, including flood and drought, both to receive immediate support and to rebuild sustainably. The UK should build on commitments made at COP26, and there should be clear indicators for reporting on new policies and laws, as well as on reduced rates of deforestation and increased land titles for indigenous peoples and local communities.