

Women in Ethiopia collect water from scarce and polluted sources.

FINANCE FOR CLIMATE JUSTICE IN FRAGILE AND CONFLICT-AFFECTED SETTINGS

CORDAID POSITION PAPER FOR THE COP29 11-22 NOVEMBER 2024, BAKU, AZERBAIJAN

1. A NEED FOR FINANCING FOR CLIMATE JUSTICE

The Conference of the Parties 29 (COP29), which will take place November 11 to 22, 2024, in Baku (Azerbaijan) is proclaimed "the finance COP". It will focus on aligning climate financing to the global goals set in the <u>Paris Agreement (2015)</u> (1). As all parties submit towards 2025 new and updated national climate plans, they should deliver and reflect commitments agreed upon in the Paris Agreement.

The UNFCCC (United Nations Framework Convention on Climate Change) discussions this year will focus on agreeing on a new global climate finance goal with the adoption of a New Collective Quantified Goal on climate finance (NCQG). The ambition is to replace the commitment to the global north with a collective goal of mobilising from a floor of USD 100 billion per year, prior to 2025, for climate action in the global south. We see this as an opportunity to improve the quality and the quantity of climate finance flowing to fragile and conflict-affected settings, and address the current structural barriers in reaching the most climate-vulnerable communities.

In the run-up to last year's COP28, <u>Cordaid advocated for conflict-sensitive and peace-positive approaches to climate programming and climate security in local policies</u> (2). Building on our previous recommendations, this COP29 position paper argues the need for localised financing mechanisms. We urge easily accessible, integrated, inclusive, and locally led financing mechanisms that do not lead to greater debt in fragile and conflict-affected settings. As Cordaid, we urge adequate, predictable and sustainable financing mechanisms that enhance climate justice.

In fragile settings, weak governance structures and climate change have become important threat multipliers affecting the resilience of societies, development, peace, and human security. Climate Justice addresses the fact that the people who suffer most from climate change are not the ones who create it. Furthermore, research shows a strong overlap between the countries most susceptible to climate risks and the most fragile and conflict-affected countries. However, despite their significant need for climate finance, they receive very limited funding. The ten most fragile countries received less than 1% of total climate adaptation finance in 2022, mostly through loans and without adopting a conflict-sensitivity lens, which in turn, further exacerbates the countries' debt burden (OECD, 2023; Oxfam International, 2023).

With this paper, we advocate for more climate funding towards fragile and conflict-affected settings that are dedicated for and channelled via civil society actors at all levels, especially at the local levels. Financial mechanisms must be easily accessible, and should in their criteria support an inclusive and integrated approach.

What do we mean by climate justice?

Climate justice means putting equity and human rights at the core of climate change decision-making and action. In this context, whilst exploring innovative sources of financing is important, it is essential to acknowledge the diversity of the ele-ments of global climate justice. It is a holistic topic that requires examining the injustices climate change exacerbates and those that climate change creates, and then building a system of equity, inclusion and justice for all.

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2. FINANCING CIVIL SOCIETY FOR LOCALLY-LED APPROACHES

Fragility and climate change in conflict-affected settings impact all areas of development and humanitarian assistance. Thus, responses to the climate crisis must holistically incorporate the context surrounding the crisis. Health, agri-food systems, security, justice, peace and gender, influence each other. These are simultaneously influenced by climate change, but also impact and shape the climate crisis and its responses.

Robust governance structures are equally as important. Weak governance structures influences far beyond the stress of infrastructures to respond to extreme weather events, such as damage to hospitals or road infrastructure, preventing prompt responses. Environmental degradation often goes hand-in-hand with weak governance, further complicating efforts toward justice and peace. Often, these decisions are not made in a participatory and inclusive manner, leading to less sustainable solutions.

Civil Society Participation

There is a great need to strengthen the role of civil society actors in fragile and conflict-affected countries. Their inclusion and active participation is pivotal in enhancing resilience at all levels of society. Local knowledge is indispensable in conflict transformation to achieve adaptive and sustainable solutions for climate justice and peace.

Civil society actors are essential in improving legal frameworks. The current ones are ill-adapted to protect the populations who live in the world's most vulnerable contexts from the consequences of climate change, such as displaced persons, women, young women, young men, indigenous communities, and children. Legal mechanisms must integrate and put forward locally-led approaches. Including civil society in decision-making processes, approving projects, and establishing accountability mechanisms is crucial for establishing just frameworks. However, it is essential to note that locally-led does not solely mean local responsibility, but also local empowerment.

Human Rights and Gender Transformative Proof

To that effect, international and regional mechanisms should be established to protect climate-affected persons, ensuring their rights are upheld and consultations are done from a proper gender transformative approach. To efficiently combat climate change, inclusivity of civil society, and local, cultural, and religious leaders is key, alongside a gender-transformative approach. The empowerment of local actors can change the current global financial systems of resource exploitation. We must consider the potential of climate justice to be holistic, geared towards equity, and ensure inclusive decision-making processes and accountability mechanisms.

Locally-Led Climate Finance

In the context of the COP28's global climate finance framework, the push to create viable climate finance is often thought of in terms of risks, market viability and potential for profit, without accounting for the need for a just system of green finance. This often results in transferring investment risks from the investors to the state's balance sheet, further destabilising fragile economies (The Wall Street Consensus 2021) (3). To be locally-led, a green financial system must centre around local knowledge and local ecosystems, and empower local actors to preserve the environment without adding to the national debt, especially regarding the preservation of the biosphere. Often under the banner of locally-led approaches, the financial system only shifts the risks associated with investing in climate-affected settings towards a wide variety of local actors. However, locally-led approaches must not shift the risks at the local level, whether economic or not.

What does it mean for climate justice to become locally-led?

It means that local and national civil society actors in the global south in all its diversity, are equal partners in the international climate agenda. They have the power to lead their own decisions and actions in policy, organisational development, and operational practice that directly affect them. They hold actors, such as private entities, governments and non-governmental organisations, accountable for environmental impact and resource exploitation through international and national mechanisms.

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INTEGRATING CLIMATE JUSTICE IN CORDAID'S PROGRAMMING

Humanitarian Action

At Cordaid, the humanitarian responses include an environmental analysis in the assessments and have an increased focus on climate change adaptation within their programme design. They are designed to 'Do-No-Harm' and are based on needs and contextual analysis, including gender, conflict, and environmental analysis, to reduce risks and vulnerabilities to shocks and to ensure the people most in need are reached.

Health System Strengthening

Moreover, in health programmes, Cordaid focuses on a combination of climate mitigation and adaptation activities. For instance, part of our work in Zimbabwe is climate-friendly health system strengthening (e.g. purchase of solar direct drive refrigerators and solar-powered tricycles, as well as installation and maintenance of solar energy in health facilities). Again in South Sudan, taking flood mitigation measures to enable uninterrupted access to health services, providing information to health workers, supporting nutrition provisions to vulnerable households, and installing solar power in health facilities.

Sustainable Agri-Food Systems

Climate change threatens agrifood systems; systems which over half of the world's population relies on for income. It also exacerbates existing inequalities, as vulnerable groups have limited resources to respond and adapt. At Cordaid we support those who contribute least to climate change but often suffer the most. We focus on building inclusive and resilient food systems and safeguarding environmental sustainability. Together with local agri-food systems stakeholders we strengthen food systems and climate risk preparedness by supporting the adoption of climate smart practices and innovations, the sustainable management of natural resources (water, land, biodiversity) and promoting inclusive finance for sustainable agri-food systems.

In this context, climate justice further refers to recognising the different impacts climate change has on populations, taking into account marginalised groups. It implies recognising their role in building resilience to climate change, thanks, for example, to their knowledge of the local environment.

3. RECOMMENDATIONS

Ensure that a greater and more equitable proportion of high quality climate finance is channelled to fragile and conflict-affected settings. This should be particularly for adaptation finance, that is grant-based by nature and takes a conflict sensitive approach, is localled and gender transformative. With this, we recommend setting a target for financing fragile and conflict-affected settings based on grants. A direct window for climate finance for governments, local governments, and civil society in fragile and conflict-affected settings should be established. We recommend setting financial sub-goals in the NCQG for adaptation, mitigation, and loss and damage finance. The allocation should be based on needs, topping up where there is higher climate vulnerability and less government capacities for domestic financing.

Weak governance in fragile and conflict-affected settings requires channels for climate finance tailored to the local context. Funds should flow through partnerships with establishing direct climate france channels through internationally supervised to locally implemented structures, such as partnerships with angovernmental organisations (NGOs) or international agencies. They can manage and monitor projects effectively in states where government structures may lack capacity or are unreliable.

Explore and further strengthen the nexus between peacebuilding and security, gender, climate and environmental policies (see also the paper: 'Navigating the peace and security implications of climate change; Recommendations on the climate conflict nexus at COP29') (4). We urge a strong commitment from donors and governments to develop integrated approaches in programming to enhance inclusivity, climate-resilient food and health systems, and ensure transparency and justice. With this, public-private partnerships must be strengthened to effectively integrate climate action in all spheres.

Establishing further "innovative" sources of financing that tackle the climate crisis and align climate adaptation funding with justice systems that safeguard the rights of communities in fragile and conflict-affected set a gs. These systems must be transparent and accountable to another governance frameworks. The funds must be allocated for adaptation and equitably and reviews the underlying reforms of the financial architecture. With this, we urge human rights and environmental protections to be integrated into all climate financing mechanisms.

OCTOBER. 2024 © CORDAID 4



The <u>Civil Society Platform for Peacebuilding and</u> Statebuilding (CSPPS)(5). is a global network of civil society organisations, experts and academics supporting peacebuilding efforts in fragile and conflict-affected settings. Hosted and coordinated by Cordaid, CSPPS aims to amplify and strengthen the voice and agency of local civil society in fragile settings. Members across the Platform increasingly experience the effects of climate change. The most vulnerable populations are impacted and within peacebuilding and conflict prevention work, the interlinkages with climate change are increasingly seen and addressed. CSPPS continuously investigates ways the climate crisis plays out within the triple nexus. For more information, please see our publication: Triple- Nexus and Climate Change in Conflict-affected Settings: Experiences, Lessons Learned and Best Practices (6). CSPPS is currently developing a briefing paper on Climate, Peace and Security discussing how the interlinkages manifest themselves in fragile and conflictaffected settings, by putting forward the voices of CSPPS members.



Cordaid's (7) climate justice advocacy takes place in Dutch and global alliances. The "International Climate Coalition" targets Dutch government officials and parliamentarians and feeds them with evidence-based advocacy messages on topics like Loss and Damage, climate funding and carbon markets. Cordaid brings in expertise on the link between climate and food security, and climate and health. The Dutch Food4All coalition influences the food security and trade policies of the Dutch government, including the Climate Food Nexus. Internationally, Cordaid's key networks for climate advocacy are CIDSE (8), Caritas Internationalis and the ACT-Alliance (9) all of which will be present during the COP29 conference.

Cordaid's Climate Justice policy aims at supporting people overcoming the negative impact of climate change on their lives and livelihoods and empower them to become actors of change to have an impact on practices and policies related to climate justice. We focus especially on women and girls, elderly, people with disabilities, small farmers and indigenous people. Climate Justice links environmental and social justice and integrates human rights in climate action. We advocate for more finance for civil society with a climate, peace and security approach.

Acknowledgement and Resources

(1)The Paris Agreement

unfccc.int/sites/default/files/english_paris_agreemen t.pdf

(2)Addressing the climate crisis in fragile and conflict-affected settings

cordaid.org/en/wp-

content/uploads/2023/11/Cordaid-COP28-Position-Paper-1.pdf

(3) The Wall Street Consensus

onlinelibrary.wiley.com/doi/abs/10.1111/dech.1264

(4)Navigating the peace and security implications of climate change

https://static1.squarespace.com/static/61dc05c236d 4333322aa36f4/t/67212c526b88480c792d8d90/1 730227284351/Peace%40C0P29+Policy+Paper%2C+ updated+29+October.pdf

(5) cspps.org

(6)Triple Nexus and climate change cspps.org/news/triple-nexus-and-climate-change-conflict-affected-settings-experiences-lessons-learned-and

- (7) cordaid.org
- (8) cidse.org/areas-of-work/climate-justice/
- (9) actalliance.org/climate-justice/

ABOUT CORDAID

Cordaid is a value-based international development and emergency relief organisation, based in the Netherlands with offices in 14 countries. We work in and on fragility and support communities in their efforts to improve health care, education, food security, and justice. Where disaster strikes, we offer humanitarian assistance.

Cordaid is deeply rooted in the Dutch society with more than 250 .000 private donors. The Christian values of human dignity, justice, compassion and care for the planet guide us in our work. Cordaid is a founding member of Caritas, CIDSE and ACT Alliance.

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