

## Submission on Report on Doubling Adaptation Finance Children's Environmental Rights Initiative (CERI) Coalition

The <u>Children's Environmental Rights Initiative</u> (CERI) coalition welcomes the opportunity to submit its views on the report on doubling adaptation finance to the Standing Committee on Finance. We see this report as crucial for driving forward the call to achieve a balance between mitigation and adaptation finance and for improving the child responsiveness of adaptation finance.

The share of adaptation finance in climate finance has been gradually increasing but it averaged just 24% of international climate finance flows from developed countries to developing countries between 2016 to 2020, according to data from the OECD. The historic marginalisation of adaptation finance has severe consequences for children on the frontlines of the climate crisis, particularly those experiencing intersecting forms of inequality and discrimination such as girls and children discriminated against on the basis of their sexual orientations, gender identities and expression (SOGIE), Indigenous children, children with disabilities, and displaced children, amongst others.

The climate crisis is eroding children's rights. According to the Intergovernmental Panel on Climate Change, a child born since 1990 is projected to experience a nearly four-fold increase in extreme events under 1.5°C warming by 2100, and a five-fold increase under 3°C, compared to a person born in 1960. One billion children are at extremely high risk of the impacts of the climate crisis and 774 million children face the double burden of climate change *and* poverty.

Children's distinct and heightened risks from the climate crisis arise from the following factors:

- Children's unique physiology, behavioural characteristics and developmental needs, particularly between birth and the age of five, render them disproportionately vulnerable to impacts such as water and food scarcity, vector- and water-borne diseases, and physical and psychological trauma linked to both extreme weather events and slow-onset processes.
- Climate change impacts also disrupt children's access to basic social services that are
  essential for their development and wellbeing, such as education, health, safe drinking
  water, sanitation and hygiene (WASH), and child and social protection services, amongst
  others.
- Climate-related disasters also contribute to **increasing the incidence of child labour, child marriage and forced migration**, placing children at risk of human trafficking, gender-based violence, abuse and exploitation.

Global evidence shows that investing in children builds human capital, contributing to long-term resilience to the climate crisis and sustainable development. However, our recent analysis shows that efforts to respond to the distinct and heightened needs and perspectives of children in international climate finance flows remain nascent, including for adaptation.

We take this opportunity to share with you our latest report titled <u>Falling Short: Addressing the</u> <u>climate finance gap for children</u> which provides the first-ever child-focused review of international climate finance. Based on an analysis of 591 projects financed by key multilateral climate funds, we found that just 2.4% of climate finance from these funds was found to support projects that incorporated child-responsive interventions. Even this small percentage is likely to be an

overestimate. While progress is being made towards mainstreaming gender equality in climate finance, less than 4% of the projects explicitly and meaningfully considered girls.

As the SCF deliberates on the roadmap for doubling adaptation, we request you to consider the following inputs to ensure that children's needs and perspectives are integrated in adaptation finance decision-making:

- The call for developed countries to double their adaptation finance by 2025 from 2019 levels is welcome but research shows that this would fall short of what is needed by countries and communities, including children disproportionately impacted by the climate crisis. The shortfall is widening the adaptation finance gap. The SCF should call upon developed countries to go beyond doubling their support for adaptation to urgently close the adaptation finance gap through the provision of new and additional climate finance to Official Development Assistance flows, placing children and child-critical social services at the forefront of such efforts, with a particular focus on reaching girls and other children most at risk.
- Adaptation finance should be delivered primarily in the form of grants to developing countries. Grants are inherently more child-responsive than loans. By reducing the debt burden on low-income and climate-vulnerable countries, grants help to alleviate rather than exacerbate pressures on public budgets, and avoid social spending being diverted. In addition, grants help to foster inclusivity by lowering barriers to entry and empowering underrepresented communities, and they also tend to have higher disbursement ratios, improving the timeliness and predictability of climate finance flows.
- Adaptation finance should prioritise investments to strengthen the climate resilience of child-critical social services including in education, health, food and nutrition, clean energy, water, sanitation and hygiene, child and social protection services, and through disaster risk reduction and anticipatory action.
- Adaptation finance should actively support the collection of data and analyses on the
  impacts of children and their rights. Child rights impact assessments, which can be standalone or combined with gender assessments, should be undertaken early and include the
  views of children, including in the development of National Adaptation Plans.
- Adaptation finance flows should be designed to deliver child-responsive outcomes. Climate
  finance providers should institute a child marker to rate the contribution of each adaptation
  activity output against child-responsive criteria, in order to provide a more accurate
  estimate of the contribution of adaptation finance to child-responsive outcomes.
- Adaptation finance should reach countries and groups that are most in need of it but can least afford to address the climate crisis. It should actively support developing countries and sectors which have not benefitted significantly from it to date.