



# Climate Change, Environment and Biodiversity

Towards environmental sustainability and resilient societies

Sustainable management of the Earth's resources is a prerequisite for reduced poverty and sustainable societies – for current and future generations. Sida contributed with more than SEK 10 billion to initiatives targeting environment as a main objective or a significant objective in 2021.<sup>1</sup> This included efforts for improved environmental sustainability, increased resilience to climate change and disaster risk reduction.



## MAIN AREAS OF SUPPORT

As the effects of environmental degradation, climate change and a decreasing biodiversity become increasingly alarming, inequalities, poverty, and vulnerability of people and communities will increase, often contributing to conflicts and humanitarian crises. Therefore, working with environment and climate is an important prerequisite for reducing poverty – both in targeted programming and by integration throughout Sida's operations.

In 2021, Sida disbursed more than SEK 3.5 billion to programmes with environment as the main objective and an additional SEK 6.8 billion with environment as a significant objective.<sup>1</sup> Approximately 40 percent of these disbursements was provided to contributions with a global focus, 41 percent to country-specific contributions and 19 percent to regional contributions. The five largest bilateral disbursements were allocated to actors in Mozambique, Bosnia-Herzegovina, Mali, Bangladesh and Kenya (in descending order). Sida actively works to identify synergies between support at bilateral, regional and global level striving for enhanced outcomes through coordination between programmes. The main implementing partners within the field of environment were multilateral organisations followed by Non-Governmental Organisations (NGO's) and universities, research institutes or think tanks.

The main sector for support in 2021 was general environmental protection (see Figure 1), with the largest sub-sectors being environmental policy and administration

(SEK 1.5 billion), support for biodiversity (SEK 254 million) and environmental research (SEK 87 million). The second largest sector for support was agriculture, forestry and fishing (SEK 644 million), followed by energy (SEK 363 million).

Sida's support to environment and climate change is also measured using the policy markers of the Rio Conventions.<sup>2</sup> Disbursements in 2021 that had climate change action (adaptation or mitigation<sup>3</sup>) as a significant or principal objective was SEK 4 billion. Sida's disbursements to contributions with biodiversity as significant or principal objective amounted to around SEK 2 billion in 2021.<sup>4</sup>

## DEVELOPMENT IN THE WORLD

The challenges related to environment and climate change are enormous and becoming more acute every day. Climate change has increasing negative impacts on people and nature worldwide and severely challenges the ability of poor and vulnerable people to lift themselves out of poverty.<sup>5</sup> Women and children are often most affected by environmental degradation and pollution due to their vulnerability and high dependence on natural resources for sustaining their livelihoods.

2 The United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), and the United Nations Convention to Combat Desertification (UNCCD).

3 Adaptation refers to the process of adjustment to actual or expected climate and its effects while mitigation involves human interventions to reduce the sources or enhance the sinks of greenhouse gases.

4 Disbursements are weighted according to the levels of the climate change adaptation, climate change mitigation and biodiversity markers respectively.

5 Global Network Against Food Crises (2022): *A Global Overview on Food Crises 2022*. Food Security Information Network (FSIN).

1 The amounts presented are based on Sida's environment policy marker that is used to track the integration of the environment and climate perspective in contributions.

## THE GLOBAL GOALS

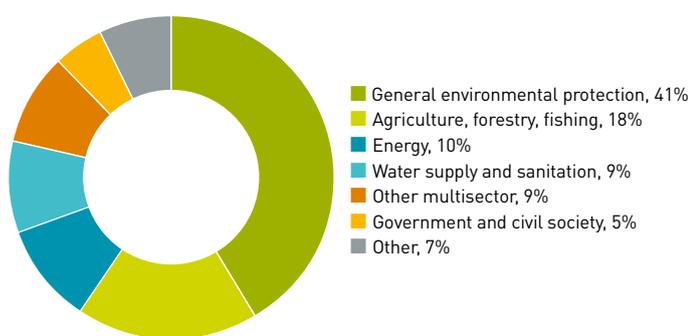
The Global Goals for Sustainable Development include everyone – and we can all contribute. The goals are interdependent and therefore indivisible. Sida's main contribution is to implement development cooperation, thereby reducing poverty and saving lives. Together we can build a better future where no one is left behind.



# Results

The disruptive effects of climate change are escalating, creating a growing need of building resilient societies and economies. The UN Climate Panel (IPCC) has issued the starkest warning yet of the threat of climate change to human wellbeing and the health of the planet. Climate change is increasingly causing dangerous and widespread disruption in nature and affecting billions of lives, with people living in poverty being hit the hardest.<sup>6</sup>

**FIGURE 1: SIDA'S DISBURSEMENT TO CONTRIBUTIONS WITH ENVIRONMENT AS THE PRINCIPAL OBJECTIVE 2021 PER MAIN SECTOR (%)**



## SIDA'S SUPPORT

Sida contributes to changing the negative development described above and was during 2021 focused particularly on financing directed to programmes for protecting and increase biodiversity and on strengthening the alignment of Swedish development cooperation with the Paris Agreement. Sida participated in the negotiations under the Climate Convention (UNFCCC) and the Convention for Biological Diversity (CBD) with particular attention given to capacity development and resource mobilization for biodiversity and climate adaptation. Only a fraction of climate finance is directed towards adaptation, while this is a critical question for the poorest and most vulnerable countries.

Important issues that have received attention and funding during 2021 include the relationship between pollution, climate change and health; loss of biodiversity and ecosystem services and the impact on local and indigenous people; low-carbon and climate-resilient growth; migration and climate change and issues related to how human rights are connected to climate change, environment and biodiversity.

<sup>6</sup> IPCC (2022): *Climate Change 2022: Impacts, Adaptation, and Vulnerability*. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press. In Press.

In efforts to contribute to inclusive and green recovery from the COVID-19 pandemic, Sida has engaged in dialogue with the World Bank and the EU to prioritise long-term strategies in the areas of climate, environment and biodiversity. Sida participates in a joint EU initiative, NaturAfrica, with links to the European Green Deal and a joint programme to raise finance for biodiversity with future plans to support transboundary landscape initiatives together with EU member states.

## STORY OF CHANGE

### – Scaling up locally-led adaptation

Sida's partner countries are often not large greenhouse gas emitters, but highly vulnerable to the effects of climate change which raises an urgent need for adapting to the challenges of a changing environment. Therefore, Sida support various programmes at global, national and local level focusing on that climate finance reaches local institutions and communities to enable adaptive actions in relation to local needs. The support to the global and national programmes reinforces and strengthen the dialogue for normative change and action on the ground.

On a global level, Sida provides core support to International Institute for Environment and Development (IIED), which has contributed to the development of eight principles for locally led adaptation. The principles have been fundamental components of Sida's operations for a significant time and at COP26, Sida along with multiple other actors formally endorsed the principles.

In Bangladesh, Sida supported the programme Local Government Initiative on Climate Change (LoGIC) with SEK 20 million in 2021. The initiative aims to improve capacity at local government level to integrate climate adaptation measures and disaster risk management in local development plans. By building capacity, the local ownership and the sustainability of the implemented adaptation initiatives is strengthened. Through the programme 17,000 households have adopted practices for climate adaptation. As part of increased financial inclusion among the most vulnerable target group, over 16,000 women have received assistance to open their own bank accounts.