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CONCEPT NOTE

Regular meeting of

Inter-American Council for Integral Development (CIDI)

JUNE 13, 2023

**THEME: CLIMATE CHANGE AND POVERTY – MULTIDIMENSIONAL IMPACTS AND SOLUTIONS**

1. **Background/Justification**

Eradicating extreme poverty for all people everywhere by 2030 is a pivotal goal of the 2030 Agenda for Sustainable Development. Between 2015 and 2018, global poverty continued its historical decline, with the global poverty rate falling from 10.1 percent in 2015 to 8.6 percent in 2018. Owing to the COVID-19 pandemic, the global poverty rate increased sharply from 8.3 percent in 2019 to 9.2 percent in 2020, rewinding progress by about three years.

The COVID-19 pandemic provoked the deepest global recession since the second world war. In 2020, global GDP contracted by 3 percent. However, in Latin America and the Caribbean output fell by 7 percent, the worst of any region tracked by the IMF[[1]](#footnote-1)/.In 2022, Russia's invasion of Ukraine drove yet another global economic slowdown. Record inflation, fueled by the largest energy crisis since the 1970s, created financial hardship for millions, triggering food shortages and deepening poverty and inequality throughout the region. Last year, 32.1 percent of the region’s population (equivalent to 201 million people) fell below the poverty line, while extreme poverty affected 13.1 percent (82 million)[[2]](#footnote-2)/.

Climate change is becoming an increasing threat that deepens the social divide, exacerbates inequality, and pushes millions into poverty. Impoverished people, rural communities, and indigenous peoples are always those most affected by the adverse effects of climate change. For example, in November 2021, two massive hurricanes that lashed Central America—Eta and Iota—upended the lives of millions of people, compelling them to pull up roots and seek a better future elsewhere. The World Bank has estimated that climate change will lead to up to a 300% increase in extreme poverty in Latin America and the Caribbean by 2030[[3]](#footnote-3)/. It notes that the poorest households live hand-to-mouth, which means that their consumption depends on income. Further, their income depends frequently on informal and irregular labor subject to employment shocks. The poor do not have access to banking services, and their assets are comprised almost exclusively of tangible things (e.g., homes, livelihoods, etc.) susceptible to loss, damage, or destruction during extreme weather events, such as hurricanes, fires, or floods.

The interplay between climate change and poverty carries significant implications for food insecurity. Climate change exacerbates existing vulnerabilities, disproportionately affecting the world's poorest and most marginalized populations by contributing to food insecurity. Impoverished communities struggle to access and afford nutritious food due to the impact of climate change. The disruption of water availability caused by climate change leads to prolonged droughts, further compromising agricultural systems and exacerbating food insecurity. Moreover, climate change's impacts on health and nutrition are interlinked. As food availability and quality decline, malnutrition rates increase, and compromised water sources contribute to the prevalence of waterborne diseases. The complex nexus of climate change, poverty, food insecurity, water scarcity, health, and nutrition underscores the urgent need for comprehensive and equitable actions to mitigate climate change, alleviate poverty, and ensure sustainable access to nutritious food and clean water for all.

Extreme weather events pose significant risks to human well-being. Heatwaves can result in heat-related illnesses, particularly among vulnerable populations such as the elderly and individuals with pre-existing health conditions. Furthermore, climate change influences the distribution and prevalence of infectious diseases. Warmer temperatures enable disease-carrying mosquitoes to thrive in new areas, expanding the range of vector-borne diseases like malaria and dengue fever. Moreover, extreme weather events that disrupt food production and supply chains can lead to inadequate diets, causing deficiencies in essential nutrients and compromising immune function, thereby increasing the risk of malnutrition-related diseases.

Conversely, climate change has a disproportionate effect on impoverished, rural, and indigenous communities, and contributes to endemic poverty for a number of reasons. First, rising temperatures hinders employment, especially for agricultural and construction workers. According to a report by the UN’s International Labor Organization, the number of workers susceptible to heat stress remains persistently high in Latin America and the Caribbean.[[4]](#footnote-4) Second, most adults living in extreme poverty hold menial agricultural jobs. These workers and their families are most directly exposed to, and impacted by, the effects of climate change, such as changing temperatures and precipitation shocks.[[5]](#footnote-5) Third, extreme weather phenomena make it much more difficult for the poor to get ahead financially, save money, and invest in their future. The impact of hurricanes such as Maria in Dominica and Stan in Guatemala had long-lasting effects on the poorest populations in these countries[[6]](#footnote-6)/. Finally, climate change has multiple adverse effects on health, especially in areas with deficient health infrastructure and services. In Brazil, droughts leading to water scarcity are robustly correlated with higher infant mortality, lower birth weight, and shorter gestation periods. Scientists point to lower agricultural production and lower nutrient intake for the mothers, the lack of safe drinking water, and a higher incidence of infectious diseases.[[7]](#footnote-7)

In sum, the World Bank estimates that climate change could push 3 million people into poverty every year in Latin America and the Caribbean until 2030. This impacts people in cities, rural areas, and along coastlines and low-lying areas where hurricanes and other hazards are a growing threat[[8]](#footnote-8)/. To overcome many of the challenges and stave off the fall of millions of people into poverty, critical investments in resilience and economic support for the poorest urban, rural, and indigenous communities must be prioritized. The recent UNFCCC COPs have taken up these issues, but many efforts are yet to be activated, and regionally based solutions are lacking.

1. **Purpose of the Session**

The session will enable an expert discussion on the challenges and opportunities to bring people out of poverty and to prevent the region’s poorest communities from suffering the most extreme consequences of climate change, and facilitate dialogue on potential region-wide solutions, encouraging shared learning and collaboration among member states.

Questions for member states will feature:

1. How have elevated climate risks and the potential impacts of natural disasters affected the poorest and most vulnerable communities of the region?
2. What issues have not been adequately addressed to improve economic growth and shared prosperity?
3. Do governments apply targeted methodologies to address the nexus between climate change and poverty? What challenges are most critical in applying these throughout the region?
4. **Relevance to SEDI**

- Strengthen the implementation of Sustainable Development Goal 1: No Poverty.

- Support member states’ efforts geared toward poverty reduction and Climate Change adaptation.

- Receive government inputs for a prospective Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development.

1. **OAS mandates**

* The Charter of the Organization of American States establishes as one of its central purposes the eradication of critical poverty, which represents an obstacle to the full democratic development of the peoples of the hemisphere the commitment ratified by the Resolutions AG/RES. 1854 (XXXII-O/02) AG/RES. 1962 (XXXIII-O/03), priority that it is inspired in the principles of inter-American solidarity and cooperation in the search for equity and social justice and the integral development of its peoples;
* The Declaration of Quebec City, adopted at the Third Summit of the Americas, states that no effort should be spared to free the citizens of the Americas from the dehumanizing conditions of extreme poverty;
* The Declaration of Nuevo León, adopted at the Special Summit of the Americas, recognizes that overcoming poverty, hunger, and social inequality are major challenges facing many countries of the Hemisphere in the 21st century;
* Resolution AG/RES. 1854 (XXXII-O/02) instructs the Permanent Council and CIDI, in light of the results of the meeting on Isla de Margarita, to define jointly new actions to strengthen existing mechanisms for cooperation to support the OAS member states in combating poverty;
* At the IX Summit of the Americas, Los Angeles, 2022, promote economic recovery, in a socially inclusive manner, fostering low greenhouse gas emitting economies, with a view to conserving, managing, and ensuring sustainable use of natural resources with key actors implementing joint synergies among countries in the region.

1. **Structure of the Session**

For the purposes of the meeting, three speakers have been invited to examine the challenges and opportunities to bring people out of poverty. After a dialogue with the guest speakers, the Chair will invite delegations to share best practices, needs, potential challenges and opportunities, and/or specific demands for hemispheric cooperation in this area.

Invited Panelists:

- Atlantic Council

- Pan American Health Organization (PAHO)

- Food and Agriculture Organization (FAO)

1. **Outcomes of the Session**
2. A deeper understanding of the multi-dimensional impacts of climate change on poverty in the Americas, especially on rural and indigenous communities.
3. Identification of gaps in the current strategies addressing climate change and poverty in the region.
4. Addressed the challenges to improve economic growth and shared prosperity.
5. Member states' shared commitment to eradicate poverty, manage climate change, and ensure the sustainable use of natural resources in the region.
6. Key takeaways to support the formulation of the agenda for the IV Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development.

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1. . [Why Latin America’s economy has been so badly hurt by covid-19 | The Economist](https://www.economist.com/the-americas/2021/05/13/why-latin-americas-economy-has-been-so-badly-hurt-by-covid-19) [↑](#footnote-ref-1)
2. . ECLAC, 2022 Social Panorama. Available here: <https://repositorio.cepal.org/handle/11362/48518> [↑](#footnote-ref-2)
3. . [Climate change and poverty: the perfect storm (worldbank.org)](https://blogs.worldbank.org/latinamerica/climate-change-and-poverty-perfect-storm?cid=SHR_BlogSiteTweetable_EN_EXT) [↑](#footnote-ref-3)
4. . [Working on a warmer planet: The impact of heat stress on labour productivity and decent work (ilo.org)](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_711919.pdf) [↑](#footnote-ref-4)
5. . [A New Profile of the Global Poor - ScienceDirect](https://www.sciencedirect.com/science/article/pii/S0305750X17302735?via%3Dihub) [↑](#footnote-ref-5)
6. . [Climate change and poverty: the perfect storm (worldbank.org)](https://blogs.worldbank.org/latinamerica/climate-change-and-poverty-perfect-storm) [↑](#footnote-ref-6)
7. . [Water scarcity and birth outcomes in the Brazilian semiarid - ScienceDirect](https://www.sciencedirect.com/science/article/abs/pii/S0304387814001096) [↑](#footnote-ref-7)
8. . [Promoting Climate Change Action in Latin America and the Caribbean (worldbank.org)](https://www.worldbank.org/en/results/2021/04/14/promoting-climate-change-action-in-latin-america-and-the-caribbean) [↑](#footnote-ref-8)