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THE 2022 EXTREME FLOODING IN PAKISTAN: SAVING LIVES AND SUPPORTING A CLIMATE-RESILIENT RECOVERY

**Report of the Standing Committee on Foreign Affairs and
International Development**

Ali Ehsassi, Chair

**FEBRUARY 2023
44th PARLIAMENT, 1st SESSION**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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has the honour to present its

NINTH REPORT

Pursuant to its mandate under Standing Order 108(2) and the motion adopted by the committee on Wednesday, September 21, 2022, the committee has studied the extreme flooding in Pakistan and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada review its approach to the establishment of matching funds when responding to humanitarian crises to ensure such funds are as inclusive of as many Canadian and other humanitarian organizations as possible, without compromising on efficiency, programming effectiveness, or accountability. 10

Recommendation 2

That the Government of Canada publish enhanced and transparent information regarding the allocation of its International Climate Finance on a country specific and regional basis, including eligibility parameters and application processes. 16

Recommendation 3

That the Government of Canada further increase the proportion of the International Climate Finance envelope that is delivered in the form of grants, while decreasing the proportion of Unconditionally Repayable Contributions..... 16

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That the Government of Canada include flexibility in its contribution agreements with locally operational non-governmental organizations (NGOs) to allow for them to use their funding for immediate emergency relief in the event of a natural disaster..... 16



THE 2022 EXTREME FLOODING IN PAKISTAN: SAVING LIVES AND SUPPORTING A CLIMATE- RESILIENT RECOVERY

INTRODUCTION

Beginning in mid-June 2022, Pakistan experienced heavy rains and flash flooding that created a situation the United Nations (UN) humanitarian agency characterized as “an unprecedented climate-induced disaster.”¹ The south and central parts of the country were the most affected, with the provinces of “Sindh enduring 8.3 times and Balochistan enduring 6.9 times their respective average rainfall.”²

On 21 September 2022, the House of Commons Standing Committee on Foreign Affairs and International Development (the committee) agreed to study the extreme flooding in Pakistan and the needs of those affected.³ As part of this study, the committee heard from Canada’s Minister of International Development, as well as officials from Global Affairs Canada. The committee also heard from members of the humanitarian community.

As is outlined in this report, Pakistan is experiencing a multidimensional crisis in the wake of the catastrophic flooding that followed the record-breaking monsoon rainfall. After outlining the vulnerabilities that have been created, and which persist today, the report examines the tools the Government of Canada has to assist Pakistan with immediate humanitarian relief and longer-term adaptation to climate change.

THE 2022 FLOODS IN PAKISTAN

By the first week of August 2022, Pakistan was facing the accumulation of “unprecedented amounts of water.”⁴ As evidence of the scale of the disaster, the

1 United Nations Office for the Coordination of Humanitarian Affairs (OCHA), [Revised 2022 Floods Response Plan: Pakistan, 01 Sept 2022–31 May 2023](#), 4 October 2022, p. 4.

2 Ibid., p. 6.

3 House of Commons, Standing Committee on Foreign Affairs and International Development (FAAE), [Minutes of Proceedings](#), 21 September 2022.

4 FAAE, [Evidence](#), 26 October 2022, 1645 (Marie-Louise Hannan, Director General, South Asia Bureau, Department of Foreign Affairs, Trade and Development).



committee was informed that, in the provinces of Balochistan and Sindh, the rainfall surpassed records going back more than 60 years.⁵ Overall, it is estimated that 33 million people have been affected by the extreme flooding in Pakistan, or approximately one in seven people.⁶ More than 1,700 people have died.⁷

The Honourable Harjit S. Sajjan, Minister of International Development, led a delegation to Pakistan in mid-September 2022.⁸ Conveying its findings to the committee, Minister Sajjan remarked that,

Hundreds of thousands of homes and infrastructure have been destroyed. Crops, livelihood[s] and livestock have been ruined. Food is scarce. Hunger is also looming. The need for assistance is dire.⁹

Reflecting on the time he spent on the ground in Pakistan in August 2022, including in Balochistan, Usama Khan, Chief Executive Officer, Islamic Relief Canada, said that people “had lost not only their homes—and in some cases their lives—but a dignified way of earning a livelihood.”¹⁰ As of 11 October 2022, Pakistan had declared 94 districts as “calamity hit,” which accounts for more than half the districts in the country.¹¹

While the effects of the disaster are widespread, exceeding the humanitarian needs created by the flooding Pakistan experienced in 2010,¹² there are also heightened vulnerabilities for certain populations, including in areas of the country that were already experiencing extreme poverty.¹³ In addition to increased food insecurity and the consequences of damaged health infrastructure and contaminated water, there are

5 Ibid.

6 Government of Pakistan, Ministry of Planning Development & Special Initiatives, Asian Development Bank, European Union, United Nations Development Programme, and World Bank, [Pakistan Floods 2022: Post-Disaster Needs Assessment](#), October 2022, p. 11.

7 Ibid.

8 In addition to departmental officials, Minister Sajjan was accompanied on his 12–14 September 2022 travel to Pakistan by three Members of Parliament: Iqra Khalid, Salma Zahid, and Shafqat Ali. See FAAE, [Evidence](#), 26 October 2022, 1645 (Marie-Louise Hannan).

9 FAAE, [Evidence](#), 31 October 2022, 1540 (the Honourable Harjit S. Sajjan, Minister of International Development).

10 FAAE, [Evidence](#), 26 October 2022, 1830 (Usama Khan, Chief Executive Officer, Islamic Relief Canada).

11 Government of Pakistan, Ministry of Planning Development & Special Initiatives, Asian Development Bank, European Union, United Nations Development Programme, and World Bank, [Pakistan Floods 2022: Post-Disaster Needs Assessment](#), October 2022, p. 11.

12 FAAE, [Evidence](#), 26 October 2022, 1915 (Rahul Singh, Executive Director, GlobalMedic).

13 FAAE, [Evidence](#), 26 October 2022, 1830 (Usama Khan).

protection risks. The committee was informed that there is “a high risk of sexual exploitation and abuse and an increase by more than double of gender-based violence, child protection and other protection concerns since the pre-monsoon period.”¹⁴

Rema Jamous Imseis, Representative to Canada, Office of the United Nations High Commissioner for Refugees, summarized some of the layers of vulnerabilities as follows:

The flooding has also impeded access to isolated communities, making it difficult for them to find safety and harder for humanitarian actors to reach them with much-needed aid. Close to eight million people have been forced to flee their homes, with many seeking shelter in relief sites. While the worst of the floods have receded, conditions in the hardest-hit areas where stagnant water remains are deeply concerning. The risk of waterborne diseases threatens millions of people, the majority of whom are women and children. Already we've seen cases of malaria, dengue fever and cholera on the rise.¹⁵

Indeed, Global Affairs Canada told the committee at the end of October 2022 that some 37,000 square kilometres of land were still flooded across Pakistan, down from 42,000 square kilometres the month before.¹⁶

Some vulnerable populations were already experiencing displacement. Pakistan has been hosting refugees from Afghanistan for more than 40 years, including those who arrived in the wake of Afghanistan’s fall to the Taliban in 2021. Approximately 1.3 million Afghans in Pakistan are registered with the United Nations Refugee Agency or the Government of Pakistan, while an additional 840,000 carry a card that identifies them as Afghan citizens. It is estimated that a further 775,000 Afghans in Pakistan are undocumented.¹⁷ Rema Jamous Imseis told the committee that,

Pre-existing inequalities exacerbated by the flooding, including gender-based violence and child protection risks, have increased protection concerns. As winter quickly approaches, the millions displaced are in need of urgent assistance to prepare for harsh weather conditions, especially with their ability to cope having already been eroded by soaring inflation and rising food prices even before the rains.¹⁸

14 Canadian Red Cross, [written brief](#), 24 November 2022.

15 FAAE, [Evidence](#), 2 November 2022, 1745 (Rema Jamous Imseis, Representative to Canada, Office of the United Nations High Commissioner for Refugees).

16 FAAE, [Evidence](#), 26 October 2022, 1645 (Marie-Louise Hannan).

17 Office of the United Nations High Commissioner for Refugees, written response to question, 11 November 2022.

18 FAAE, [Evidence](#), 2 November 2022, 1745 (Rema Jamous Imseis).



Almost 70% of the Afghan refugees in Pakistan are residing in the “calamity-hit” districts.¹⁹

A MULTI-DIMENSIONAL CRISIS

Testimony indicated that Pakistan requires support in the immediate term to meet humanitarian needs, but that the crisis has also revealed the extent of Pakistan’s vulnerability to disasters that are being exacerbated by climate change.

Khalil Shariff, Chief Executive Officer, Aga Khan Foundation Canada, emphasized that the situation in Pakistan is a “multi-dimensional crisis.”²⁰ Noting that, at the time of his testimony, some areas of the country were still under water, while in other areas the water had recently receded, Mr. Shariff explained that different phases of the recovery effort, such as humanitarian assistance, early recovery, and reconstruction, will be “occurring simultaneously” in different parts of the country.²¹ In addition to these varying stages and timeframes, he indicated that the crisis is also multi-dimensional in its scope, with everything from agriculture to health, education, and gender equality being affected. Mr. Shariff therefore believes that a flexible response is required. Furthermore, given the differing impacts that have been seen across Pakistan, he emphasized the principle of inclusivity. He also called for attention to investments in preparedness and disaster risk reduction.²²

While witnesses noted that Canada has tools to help Pakistan deal with this multi-dimensional crisis, some testimony suggested that these tools will need to be recalibrated or expanded to meet the enormity and expected time horizon of the challenges involved.

Humanitarian Assistance

The international humanitarian appeal for Pakistan is US\$816 million, some US\$472 million of which was needed by the end of December 2022, with the remainder

19 Ibid., [1810](#).

20 FAAE, [Evidence](#), 26 October 2022, 1815 (Khalil Shariff, Chief Executive Officer, Aga Khan Foundation Canada).

21 Ibid.

22 Ibid.

intended to help people until 31 May 2023.²³ At the time this report was being finalized, the portion of the appeal for 2022 had been funded by donors to 49% of its identified requirements.²⁴ Canada—which announced its first contribution on 29 August 2022²⁵—was the third-highest donor overall, after the United States and the United Kingdom.²⁶ The committee was informed that Canada’s \$33 million in humanitarian assistance “took into account the entirety of the appeal.”²⁷

Canada’s Matching Fund

Canada’s \$33 million includes a matching fund of up to \$7.5 million,²⁸ covering donations made between 1 August and 28 September 2022.²⁹ To be matched, those donations must have been made to an organization that is part of the Humanitarian Coalition, which includes 12 Canadian organizations.³⁰

Global Affairs Canada conveyed that the Humanitarian Coalition comprises “experienced humanitarian partners that can directly implement on the ground.”³¹ Minister Sajjan added that harnessing pre-established relationships through the matching fund allows the government to “move very quickly.”³² According to the departmental officials, previous matching funds, which had not been limited to selected organizations, experienced “significant delays in getting funding out to the people most affected by the crisis.”³³ Minister Sajjan indicated that, in the case of the 2010 Pakistan Floods Relief

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- 23 OCHA, [REVISED: 2022 Floods Response Plan: Pakistan, 01 Sep 2022–31 May 2023](#), 4 October 2022, p. 38; and FAAE, [Evidence](#), 31 October 2022, 1620 (Tara Carney, Acting Director General, International Humanitarian Assistance, Department of Foreign Affairs, Trade and Development).
- 24 OCHA, Financial Tracking Service, [Pakistan Floods Response Plan 2022](#), database, accessed 2 February 2023.
- 25 Global Affairs Canada, [Canada announces \\$5 million in funding for humanitarian assistance in response to flooding in Pakistan](#), News release, 29 August 2022.
- 26 OCHA, Financial Tracking Service, [Pakistan Floods Response Plan 2022](#), database, accessed 2 February 2023.
- 27 FAAE, [Evidence](#), 31 October 2022, 1620 (Tara Carney).
- 28 FAAE, [Evidence](#), 31 October 2022, 1540 (Hon. Harjit S. Sajjan).
- 29 Global Affairs Canada, [Canada’s response to the flooding in Pakistan](#).
- 30 The [Humanitarian Coalition](#) comprises the following organizations: Action Against Hunger Canada, the Canadian Foodgrains Bank, Canadian Lutheran World Relief, CARE Canada, Doctors of the World Canada, Humanity & Inclusion Canada, Islamic Relief Canada, Oxfam Canada, Oxfam-Québec, Plan International Canada, Save the Children Canada, and World Vision Canada.
- 31 FAAE, [Evidence](#), 26 October 2022, 1650 (Tara Carney).
- 32 FAAE, [Evidence](#), 31 October 2022, 1545 (Hon. Harjit S. Sajjan).
- 33 FAAE, [Evidence](#), 26 October 2022, 1655 (Tara Carney).



Fund, it had taken 200 days for the money to start flowing to the organizations.³⁴ With the 2022 matching fund for the extreme flooding in Pakistan, money was “flowing within 30 days.”³⁵ In addition to enabling a timely response, this approach is also intended to ensure accountability.³⁶ The department noted that “due diligence and back-end operations on these organizations have already been done.”³⁷

These comments were supported by Islamic Relief Canada, one of the Humanitarian Coalition’s members. The organization informed the committee that less restrictive matching fund models used in the past—including the one established in response to the Boxing Day Tsunami (2004–2005) in South and Southeast Asia—had created, from what they have been told, “an overwhelming situation” for the department, which was required “to administer dozens, if not hundreds, of attestations submitted by groups, and then subsequently channel the funds accordingly.”³⁸ According to Islamic Relief Canada, in contrast to the slow distribution of funds seen with previous models, which also did not guarantee programming quality standards, the current model allows pre-approved organizations to “begin programming before they even receive the funds.”³⁹ In the case of the 2022 flooding in Pakistan, the Humanitarian Coalition did so by issuing letters of commitment “even though the final aggregate proposal had not yet been approved or contracted.”⁴⁰

However, other witnesses testifying to the committee—namely smaller Canadian humanitarian organizations—argued that the Government of Canada’s approach to this matching fund limits their ability to respond to the crisis in Pakistan, despite their capacity on the ground, volunteer base, and track record.

Rahul Singh, Executive Director, GlobalMedic, suggested that the Government of Canada’s current policy is one that “actually hurts the humanitarian sector and, by default, it hurts the very people we as a sector are trying to help.”⁴¹ He told the committee that, in previous years, there had been a policy to match the funds raised by

34 FAAE, [Evidence](#), 31 October 2022, 1550 (Hon. Harjit S. Sajjan) and Department of Foreign Affairs, Trade and Development, written responses to questions, 8 December 2022.

35 FAAE, [Evidence](#), 31 October 2022, 1550 (Hon. Harjit S. Sajjan).

36 Ibid.

37 FAAE, [Evidence](#), 26 October 2022, 1650 (Tara Carney).

38 Islamic Relief Canada, written brief, [7 December 2022](#), p. 3.

39 Ibid.

40 Ibid.

41 FAAE, [Evidence](#), 26 October 2022, 1820 (Rahul Singh).

“all responding agencies” and create “a pool of those funds, which the government then programmed.”⁴² The government changed its approach a few years ago, he said, by limiting matching funds to the Humanitarian Coalition. In Mr. Singh’s opinion:

Matching funds given to only one entity actually come at the expense of the other charities in the sector. We know this because we receive calls and emails from donors who do not donate to us when they hear that the funds will not be matched. These are individuals who have previously donated to us and our organization, and because of this policy we lose their support.⁴³

It is Mr. Singh’s view that the Government of Canada is, in effect, incentivizing donors “to give to certain charities at the expense of others.”⁴⁴

Dr. Aslam Daud, Chairman, Humanity First, indicated that the impact of the policy decision on small organizations may go beyond the loss of donations from Canadians who prefer to contribute elsewhere in order to see the value of their donations doubled. He said that “some donors take it as a credibility issue.”⁴⁵ For these reasons, Dr. Daud would like the government to “consider pre-qualifying a larger base and a mix of large and small organizations as their trusted partners,” and have matching funds cover “all charitable organizations that receive donations for the particular cause and that are also active on the ground.”⁴⁶

Zeina Osman, Director, Giving and Impact, International Development and Relief Foundation, wanted the Government of Canada to establish a Pakistan relief fund, as had been done in 2010. Under that model, referenced above by Mr. Singh, the Government of Canada contributed an amount equivalent to the eligible donations individual Canadians made to Canadian registered charities to the Pakistan Floods Relief Fund, which was then used “to provide assistance through Canadian and international humanitarian and development organizations, according to established channels and procedures.”⁴⁷ Comparing the 2010 relief fund to the 2022 matching fund, Ms. Osman said that, in the first case, “all organizations that were working in the region had access to [it],” and “[e]veryone felt that they were on an even playing field.” By contrast, the

42 Ibid.

43 Ibid.

44 Ibid.

45 FAAE, *Evidence*, 26 October 2022, 1825 (Dr. Aslam Daud, Chairman, Humanity First).

46 Ibid., 1825 and 1830.

47 Government of Canada, *Government of Canada Announces Matching Fund for Pakistan Flood Relief*, News release, 22 August 2010, archived.



current practice “excludes upwards of 50 to 100 organizations.”⁴⁸ Furthermore, in 2010, her organization “did not see any disruptions in the disbursement of funds.”⁴⁹

Minister Sajjan observed that the establishment of the matching fund “does not preclude any organization from looking at applying for funding for long-term projects.”⁵⁰ However, Zeina Osman commented that putting together a proposal for such funding “may take a while to process through government assessment, which we simply can’t afford.”⁵¹ She told the committee that her organization is relying exclusively on private funding to address the current needs in Pakistan.

In light of these different perspectives, the committee recommends:

Recommendation 1

That the Government of Canada review its approach to the establishment of matching funds when responding to humanitarian crises to ensure such funds are as inclusive of as many Canadian and other humanitarian organizations as possible, without compromising on efficiency, programming effectiveness, or accountability.

Climate Adaptation and Resilience

Humanitarian assistance is for the acute, life-saving stage of a crisis. Beyond this relief are the needs associated with recovery and reconstruction. Minister Sajjan told the committee that Canada had “provided the initial emergency funding” and would provide more after it considered an assessment the Government of Pakistan was preparing with international organizations and partners. This future funding, he added, would focus on the “climate adaptation and prevention stage.”⁵² The assessment, published shortly before Minister Sajjan’s appearance, estimated the total damage from the flooding at US\$14.9 billion, the total losses at US\$15.2 billion, and total needs at US\$16.3 billion.⁵³ In January 2023, as part of the International Conference on Climate Resilient Pakistan,

48 FAAE, [Evidence](#), 2 November 2022, 1750 (Zeina Osman, Director, Giving and Impact, International Development and Relief Foundation).

49 Ibid., [1755](#).

50 FAAE, [Evidence](#), 31 October 2022, 1545 (Hon. Harjit S. Sajjan).

51 FAAE, [Evidence](#), 2 November 2022, 1805 (Zeina Osman).

52 FAAE, [Evidence](#), 31 October 2022, 1620 (Hon. Harjit S. Sajjan).

53 Government of Pakistan, Ministry of Planning Development & Special Initiatives, Asian Development Bank, European Union, United Nations Development Programme, and World Bank, [Pakistan Floods 2022: Post-Disaster Needs Assessment](#), October 2022, p. 14.

Canada announced \$25 million for development projects focused on recovery, reconstruction, and resilience.⁵⁴

Pakistan is extremely vulnerable to climate-related disasters. The Global Climate Risk Index includes Pakistan among the 10 countries in the world that were most affected by extreme weather events from 2000 to 2019.⁵⁵ The country experienced devastating flooding in 2010,⁵⁶ and a severe heatwave in March and April 2022.⁵⁷

Usama Khan explained that certain areas of Pakistan have faced recurrent flooding and drought. Vacillating between the extremes of insufficient or overwhelming rainfall, he commented, has a significant impact on “a pastoralist society, where the vast majority of the country earn their wages through either agriculture or animals.”⁵⁸ While suffering from these climate impacts, Mr. Khan noted that Pakistan’s contributions to global carbon emissions have been “incredibly low” compared to countries in the West, like Canada. This disparity, he added, “is just one additional reason why there is a moral responsibility for Canada to step up and do more.”⁵⁹

Canada’s International Climate Finance

On the eve of the 2015 United Nations Climate Change Conference in Paris, Canadian Prime Minister Justin Trudeau announced that Canada would contribute \$2.65 billion over five years to help developing countries “transition to low-carbon economies.”⁶⁰ This funding, which the Canadian government came to refer to as its “international climate finance,” supported the commitment Canada made under the 2009 Copenhagen Accord

54 Global Affairs Canada, [Canada announces additional funding to help with flood recovery and climate resilience in Pakistan](#), News release, 9 January 2023.

55 David Eckstein, Vera Künzel and Laura Schäfer, [Global Climate Risk Index 2021: Who Suffers Most from Extreme Weather Events? Weather-Related Loss Events in 2019 and 2000–2019](#), German Watch, January 2021, pp. 13 and 15. According to the index, Pakistan was the 8th-most affected country.

56 Bob Henson, [Cruel echoes of a 2010 disaster in Pakistan’s catastrophic 2022 floods](#), Yale Climate Connections, 30 August 2022.

57 Mariam Zachariah, et al., [Climate Change made devastating early heat in India and Pakistan 30 times more likely](#), World Weather Attribution, 23 May 2022.

58 FAAE, [Evidence](#), 26 October 2022, 1855 (Usama Khan).

59 Ibid.

60 Prime Minister of Canada, Justin Trudeau, [Prime Minister announces investment in Global Climate Change Action](#), News release, 27 November 2015.



“to work with partners to jointly mobilize, from a wide variety of sources, US\$100 billion annually by 2020.”⁶¹

At the 2021 G7 Leaders’ Summit, Prime Minister Trudeau announced a doubling of Canada’s international climate finance to \$5.3 billion, for the 2021–22 to 2025–26 fiscal years. This money is intended to help developing countries,

build domestic capacity to take climate action, build resiliency, and reduce pollution, including by finding nature-based solutions to climate change like protecting biodiversity and planting trees, and supporting the transition to clean energy and the phasing-out of coal.⁶²

Given Pakistan’s vulnerability to climate change and extreme weather events, the committee sought to better understand how Canada provides its international climate finance and to find out whether Pakistan has received any of that funding to date.

The committee learned that Canada’s international climate finance is primarily delivered through grants and loans to regional and multilateral organizations, such as the World Bank, which can make it difficult to identify the precise amount of funding that Pakistan has received. Global Affairs Canada told the committee that the majority of Canada’s specific envelope for international climate finance “was designed from the beginning to be delivered multilaterally, and it didn’t include direct bilateral support to Pakistan.”⁶³ The committee also learned that all of Canada’s international climate finance, whether provided as grants or loans, is counted towards Canada’s official development assistance (ODA).⁶⁴

61 Ibid.

62 Prime Minister of Canada, Justin Trudeau, [*Prime Minister concludes productive G7 Leaders’ Summit in United Kingdom*](#), News release, 13 June 2021.

63 FAAE, [*Evidence*](#), 26 October 2022, 1710 (Marie-Louise Hannan). According to the Government of Canada’s website on the international climate finance that was provided over 2015–2021, multilateral development banks were used to deliver 54% of the funding, multilateral trust funds 19%, United Nations agencies 17%, other channels 7%, and Canadian civil society organizations 4%. See Government of Canada, “Delivery Channels,” [*Canada’s \\$2.65 Billion International Climate Finance Commitment*](#).

64 FAAE, [*Evidence*](#), 31 October 2022, 1610 (Christopher MacLennan, Deputy Minister, International Development, Department of Foreign Affairs, Trade and Development). Official Development Assistance (ODA) is defined internationally by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD). ODA is provided to countries and territories on an established list, which is updated every three years. It is provided by official agencies, concessional in nature, and “administered with the promotion of the economic development and welfare of developing countries as the main objective.” See OECD, [*Official Development Assistance \(ODA\)*](#).

Canada's initial \$2.65 billion in international climate finance included \$350 million in funding for the Green Climate Fund⁶⁵ and \$200 million for the Asian Development Bank's Canadian Climate Fund for the Private Sector in Asia,⁶⁶ both of which, Global Affairs Canada officials told the committee, could have benefited Pakistan. The country has three approved projects under the Green Climate Fund—for a total of US\$120 million—that focus on flood risk reduction, water management, and zero-emission rapid transit.⁶⁷ Pakistan has also been “eligible” to receive support through the Asian Development Bank's fund.⁶⁸

Global Affairs Canada officials told the committee that Pakistan is eligible for Canada's new tranche of international climate finance and is “definitely one of the countries identified... in part because of their climate vulnerability.”⁶⁹ However, the officials were not aware of any applications Pakistan had made for the funding.⁷⁰

Regarding the emphasis on multilateral organizations in Canada's international climate finance, Zeina Osman suggested that “a more collaborative and integrated approach would probably be the best-case scenario for the government,” and expressed hope that there will be “a review of all of these types of policies that would allow, essentially, more work to be done.”⁷¹ When asked whether Canada's international climate finance should be additional to its ODA, Usama Khan replied:

Yes, absolutely. I think the more Canada can do to live up to its international commitments...it will go a long way toward making sure that Canada has a leadership position on the global stage on these important initiatives.⁷²

Khalil Shariff agreed,⁷³ but focused his testimony on the type of funding that is provided.

65 The Green Climate Fund was created to implement a commitment in the 2015 Paris Climate Agreement to support developing countries reduce their greenhouse gas emissions. See Green Climate Fund, [About GCF](#).

66 Government of Canada, [List of All Projects Financed from Canada's \\$265 Billion Climate Finance Commitment](#).

67 FAAE, [Evidence](#), 26 October 2022, 1710 (Marie-Louise Hannan).

68 Ibid., [1710](#).

69 FAAE, [Evidence](#), 26 October 2022, 1700 (Christopher Gibbins, Executive Director, Afghanistan-Pakistan, Department of Foreign Affairs, Trade and Development).

70 Ibid.

71 FAAE, [Evidence](#), 2 November 2022, 1805 (Zeina Osman).

72 FAAE, [Evidence](#), 26 October 2022, 1900 (Usama Khan).

73 FAAE, [Evidence](#), 26 October 2022, 1900 (Khalil Shariff).



While it had dedicated 24% of its 2015–2021 funding for international climate finance specifically for adaptation efforts,⁷⁴ the Government of Canada will now be allocating at least 40% of its funding “to help developing countries build resilience to climate change impacts.”⁷⁵ Furthermore, the provision of grants has been increased from 30% to 40%.⁷⁶ The remaining 60% comes in the form of Unconditionally Repayable Contributions, which the government describes as:

contributions that must be repaid according to the specific repayment terms negotiated with the partner, and are used to incentivize much-needed private sector investments in low-carbon activities, primarily in middle-income and lower-middle-income countries.⁷⁷

Mr. Shariff told the committee that worldwide, including in Canada, climate finance “has had a very significant portion associated with debt and equity financing rather than grant financing.” In his view, it is “very optimistic to think that the dire climate needs we have can be adequately addressed through resources that are non-grant resources and that are going to have to be paid back somehow.”⁷⁸

In this regard, other testimony drew attention to Pakistan’s external debt. Usama Khan told the committee that Pakistan’s debt financing obligations have prevented it from investing in climate-resistant infrastructure. He argued that the International Monetary Fund (IMF) and the World Bank, and countries like Canada, have “a responsibility to talk about how we can do debt swaps to make sure that the country is not burdened by debt repayments.”⁷⁹ Some of Pakistan’s external debt payments, he suggested, could be “forgiven and converted into climate-resistant and climate-adaptive interventions.”⁸⁰

74 Government of Canada, [Canada’s \\$2.65 Billion International Climate Finance Commitment](#). Climate change mitigation focuses on reducing the emission of greenhouse gases. Adaptation focuses on preventing or minimizing damage from the adverse effects of climate change.

75 Government of Canada, [Canada’s approach to international climate finance](#).

76 Government of Canada, [Canada’s international climate finance](#).

77 Global Affairs Canada, [Canada’s climate finance for developing countries](#).

78 FAAE, [Evidence](#), 26 October 2022, 1915 (Khalil Shariff).

79 FAAE, [Evidence](#), 26 October 2022, 1855 (Usama Khan). The general idea behind debt “swaps,” whether for the purpose of nature conservation, development, or climate adaptation, is to reduce debt “in exchange for spending or policy commitments on the side of a debtor country, at fiscal cost no higher than the debt reduction.” See Marcos Chamon, Erik Klok, Vimal Thakoor, and Jeromin Zettelmeyer, “[Debt-for-Climate Swaps: Analysis, Design, and Implementation](#),” *Working Paper 2022/162*, International Monetary Fund, 2022, p. 6.

80 FAAE, [Evidence](#), 26 October 2022, 1855 (Usama Khan).

While Canada has done debt swaps in the past⁸¹—including with Pakistan⁸²—it was not clear from the testimony of Global Affairs Canada officials whether the Canadian government would consider doing so again with any of Pakistan’s more than \$78 million in debt to Canada.⁸³ The Director General of the department’s South Asia Bureau, Marie-Louise Hannan, said the question of debt relief was “beyond the remit of the department” and her own remit “to comment on things that we should be doing in the future.”⁸⁴ In another response, and in regard to the multilateral context, Ms. Hannan indicated that she was “not aware of any discussions of Canada considering restructuring debt repayments to the IMF,” which is an issue—she maintained—that “would have to be considered very carefully with a lot of like-minded nations.” To emphasize this point, she added that it is “not something that Canada would be considering doing alone.”⁸⁵

While Canada and its partners are in the early stages of exploring possible new tools to facilitate investment in climate adaptation, including debt-for-climate swaps, it is clear—today—that Pakistan’s needs are immense and will not be resolved through humanitarian assistance.

Pakistan’s vulnerability to climate change was already demonstrated in 2010 when flooding “left entire communities without a source of food or income.”⁸⁶ At that point, Red Cross and Red Crescent Movement partners warned that it would “not be the last time floods hit the country” and that the next time would be worse.⁸⁷ Consequently, the Canadian Red Cross expressed its firm belief to the committee that “it is time to stop treating these large-scale events as exceptional.” The organization wrote that focused attention on prevention and resilience is required “to adapt to the increasingly severe and frequent disasters as a result of the deepening climate crisis.”⁸⁸

Usama Khan remarked to the committee that “global warming and climate change will probably mean that we will be having this conversation in the near future again, with

81 Michael Horgan, David Murchison and Scott Vaughan, “[More than ever, climate debt swaps should be the financial tool of choice](#),” *Policy Options*, 1 September 2020.

82 Jeff Gray, “[Canada eases sanctions, cancels debt for Pakistan](#),” *The Globe and Mail*, 1 October 2001.

83 Government of Canada, [Lending to National Governments](#).

84 FAAE, [Evidence](#), 26 October 2022, 1725 (Marie-Louise Hannan).

85 *Ibid.*, [1730](#).

86 Canadian Red Cross, [written brief](#), 24 November 2022.

87 *Ibid.*

88 *Ibid.*



climate disasters.”⁸⁹ Despite global commitments over many years to invest in disaster risk reduction and preparedness, Khalil Shariff expressed his view that there has not been “anywhere near the kind of investment that we need to make globally in this area, I’m very sorry to say.”⁹⁰

It was clear from this short study that further consideration of the tools needed to address the impacts of climate change is warranted. As a starting point, and mindful that the necessity of investing in climate and disaster resilience will require considerable resources in many states where populations are already facing heightened vulnerabilities, the committee concludes this report by recommending:

Recommendation 2

That the Government of Canada publish enhanced and transparent information regarding the allocation of its International Climate Finance on a country specific and regional basis, including eligibility parameters and application processes.

Recommendation 3

That the Government of Canada further increase the proportion of the International Climate Finance envelope that is delivered in the form of grants, while decreasing the proportion of Unconditionally Repayable Contributions.

Recommendation 4

That the Government of Canada include flexibility in its contribution agreements with locally operational non-governmental organizations (NGOs) to allow for them to use their funding for immediate emergency relief in the event of a natural disaster.

89 FAAE, [Evidence](#), 26 October 2022, 1835 (Usama Khan).

90 FAAE, [Evidence](#), 26 October 2022, 1905 (Khalil Shariff).

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Aga Khan Foundation Canada Khalil Shariff, Chief Executive Officer	2022/10/26	33
Department of Foreign Affairs, Trade and Development Tara Carney, Acting Director General, International Humanitarian Assistance Christopher Gibbins, Executive Director, Afghanistan-Pakistan Marie-Louise Hannan, Director General, South Asia Bureau	2022/10/26	33
GlobalMedic Rahul Singh, Executive Director	2022/10/26	33
Humanity First Aslam Daud, Chairman	2022/10/26	33
Islamic Relief Canada Usama Khan, Chief Executive Officer	2022/10/26	33

Organizations and Individuals	Date	Meeting
<p>Department of Foreign Affairs, Trade and Development</p> <p>Tara Carney, Acting Director General, International Humanitarian Assistance</p> <p>Cam Do, Director General, Innovative and Climate Finance Bureau</p> <p>Christopher Gibbins, Executive Director, Afghanistan-Pakistan</p> <p>Christopher MacLennan, Deputy Minister, International Development</p> <p>Hon. Harjit S. Sajjan, P.C., M.P., Minister of International Development</p>	2022/10/31	34
<p>International Development and Relief Foundation</p> <p>Zeina Osman, Director, Giving and Impact</p>	2022/11/02	35
<p>Office of the United Nations High Commissioner for Refugees</p> <p>Rema Jamous Imseis, Representative to Canada</p>	2022/11/02	35

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Canadian Red Cross

Islamic Relief Canada

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 33, 34, 35, 41 and 47) is tabled.

Respectfully submitted,

Ali Ehsassi
Chair

