



Written Submission for the Pre-Budget Consultations in Advance of the 2022 Federal Budget



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RECOMMENDATIONS

As the impacts of climate change are being increasingly felt in Canada and around the world, the Canadian Red Cross (CRC) recommends investment in the following areas for the 2022 Federal Budget.

- **RECOMMENDATION 1:** Invest \$200 million in a resilient and ready Canada to withstand the direct and indirect impacts of climate change through targeted capacity strengthening for individual and household resilience.
- **RECOMMENDATION 2:** Allocate \$25 million of funding to support enhanced risk reduction activities for Indigenous Peoples and fund programs that support self-determination and resilience.
- **RECOMMENDATION 3:** Invest \$102 million over 5 years in local, regional, and global humanitarian systems and programs that engage with and transcend the humanitarian-development-peace nexus.

CANADIAN RED CROSS

CRC is a trusted partner at all levels of government and has strong partnerships with Indigenous communities, community organizations and the private sector across Canada. CRC has accompanied communities across the country as they have responded to and recovered from disasters and emergencies, such as fires and floods, and in the past year, as they have faced COVID-19. In addition to work in Canada, CRC supports partner Red Cross Red Crescent National Societies through capacity strengthening and emergency response.

CRC brings a highly skilled and agile workforce, demonstrated capacity to mobilize communities, and the logistical and human resource capacities to surge to meet the vast and diverse needs of mass populations.

As an experienced actor in the recovery space, which intersects with provincial governments administering disaster financial assistance and as a pan-Canadian responder, CRC wishes to contribute its experience and insights for the 2022 Budget.

ISSUE STATEMENT

COMPOUNDING RISKS FROM ALL-HAZARD EVENTS

Disasters related to natural hazards are on the rise in Canada and around the world. Driven by climate change, severe weather events are increasing in frequency, severity, and distribution. Further, the impacts from these events are compounded by concurrent crises including COVID-19. Data from the Government of Canada shows an exponential increase in the number of disasters related to domestic natural hazards over the past 80 years, and significant rises in average annual temperatures and precipitation during this same period.¹ Canadians are at increased risk of more prolonged and intense wildfires, flooding, droughts, heat waves, and other severe weather events.

INDIGENOUS COMMUNITY RESILIENCE

While hazards affect all people and assets exposed, they do not impact everyone equally due to a range of social, economic, cultural, and political factors; prevalent inequalities; and power imbalances. These factors are further exacerbated for Indigenous Peoples due to the lack of recognition of historic wrongs, treaty rights, and forced relocation. Despite making up less than 5% of Canada's total population, one-third of all wildfire evacuees are Indigenous, and more than half of all smoke-related evacuations have involved Indigenous communities.² Indigenous reserve lands are also disproportionately exposed to flooding, among other hazards.

FORTIFYING COMMITMENTS TO LOCALIZATION

Climate-related disasters are leading to an increase in the number of people requiring humanitarian assistance globally. Indeed, COVID-19 prevention and response activities have exposed the fragility and weakened response systems intended to alleviate the impact of armed conflict. Local actors are best placed to support people living in protracted crises but require long-term, flexible funding to do so.

¹ The Canadian Disaster Database & [Canada's Changing Climate Report \(2019\)](#).

² Sankey & Technical Coordinator (2018).

RECOMMENDATIONS

RECOMMENDATION 1: Invest \$200 million in a resilient and ready Canada to withstand the direct and indirect impacts of climate change through targeted capacity strengthening for individual and household resilience.

Based on CRC's data and analysis, the average Canadian has at least \$60,000 of unfunded losses following an insured fire event. These losses tend to be financed from RRSPs, credit cards and other means as most Canadians have not contemplated the need to fund such costs, especially where fully insured. This is driven in part by the lack of collective readiness, but also because the system is not built to fund losses in a catastrophic loss context. Effective recovery starts before an emergency and is linked closely with Disaster Risk Reduction, emergency preparedness and resilience.

Recommendation 1.1: Allocate \$75 million to accurately identify and mitigate the impacts on individuals in catastrophic loss events driven by climate change.

Our experience has shown that recovery timelines for catastrophic loss events, such as recurring floods and large-scale fires, are much longer than current insurance policies and government assistance programs account for.

Data collection tends to stop once an assistance payment is made, making the true cost of impact and recovery unknown, and leaving an unfunded gap. Consequently, the cost and time for recovery is dramatically underestimated and should be factored into the design of federal recovery programs and interventions. Furthermore, modelling and climate change tends to gloss over and not focus on the individual impacts and total human costs. Funding must address the need for accurate and holistic data capture for evidenced-based planning of preparedness measures and for recovery programs and interventions. CRC recommends a sectoral review and reform of support available to individuals, such as insurance and disaster finance assistance, and enhanced catastrophic loss modelling with a focus on human impacts and unfunded losses.

The need for this investment is acute considering climate change, the hardening of the insurance market, increasing and boundless risk events, and the potential for large scale catastrophic-loss events such as an earthquake in B.C.

Recommendation 1.2: Invest \$125 million in resilience capacities among vulnerable households in Canada through support in structural mitigation and through information awareness and assistance.

While hazards affect all people and assets exposed, they have unequal impact due to vulnerabilities arising from socioeconomic inequalities and power imbalances. Evidence confirms that the systematic inequalities that lead to vulnerability are in place well before a community is impacted by a hazard.³ Hence, addressing individual and collective vulnerabilities pre-hazard will reduce the overall cost and loss of life and property in future disasters. In Canada, it is estimated that for every dollar spent on preparedness, hazard mitigation and risk reduction, six dollars is saved on emergency response.⁴

CRC recommends further strengthening absorptive and adaptive resilience capacities to the impact of climate change among vulnerable and high risks households in 20 Canadian communities through investments in knowledge, skills, attitudes, and resources to reduce the risk and potential impacts of hazards for at-risk households. In addition, CRC recommends creating a structural mitigation fund to support household's to take action to support their own risk reduction and resilience prior to and outside

³ Wisner, B. et al. *At-risk: Natural hazards, people's vulnerability and disasters* (2004).

⁴ Multi-Hazard Mitigation Council.

of disruptive events. Structural incentive programs have been used successfully alongside provincial disaster financial assistance and it has been the CRC's experience that such investments mitigate impacts.

Investments in increased readiness at a household level can minimize long-term recovery processes. Further, a holistic approach to readiness, including individual preparedness, helps strengthen mental health, financial resilience and can ameliorate pre-existing inequalities and vulnerabilities compounded by disasters and emergencies.

RECOMMENDATION 2: Allocate \$25 million of funding to support enhanced risk reduction activities for Indigenous Peoples and fund programs that support self-determination and resilience.

Deep-rooted impacts of colonization, gaps in services relative to the social determinants of health and the often-remote geography of Indigenous communities contribute to higher risks in times of emergencies. Indigenous communities are at a higher risk for extreme impacts of COVID-19, disasters, social crises, and health emergencies. Culturally appropriate programming and tool development is critical to address risk reduction and resilience.

CRC recommends investment to address risks related to disasters, violence, and health in 20 Indigenous communities through strengthening capacities that promote resilience. This is achieved through strategies that work with individuals, families and households, community, service providers, governance structures and policy makers at all levels of government. For example, CRC enters communities upon invitation, virtually or in-person, to support communities on Decision Making and Governance, Disaster Risk Reduction and Climate Change Adaptation, Community Wellness and Protection, and Health (promotion and injury prevention).

These investments increase access to information on risk reduction; enhance community action planning; enhance coordination and collaboration mechanisms with stakeholders; increase household and community capacity for resilience to various hazards; and enhance tool and resource effectiveness.

RECOMMENDATION 3: Invest \$102 million over 5 years in local, regional, and global humanitarian systems and programs that engage with and transcend the humanitarian-development-peace nexus.

Recommendation 3.1: Invest \$100 million over 5 years in local, regional, and global humanitarian systems that engage with and transcend the humanitarian-development-peace nexus to address threats to global health security, and to reach those most impacted by climate change, conflict, and fragility.

Climate change is a driver of fragility and conflict, and contributes to more frequent and profound humanitarian crises, including epidemics. By 2030, it is anticipated that an additional 135 million people may be living in poverty, and by 2050, as many as 153 million could migrate. The convergence of COVID-19, conflict and climate change is particularly threatening for the world's most impoverished peoples, 70% of whom are women.

To meet these challenges, responses to humanitarian crises should be as local as possible and only as international as necessary. Local actors must be prepared to respond early to disasters, and if capacities are overwhelmed, surge systems must be agile, fit for purpose and accountable to effectively support local actors to meet differentiated needs of diverse people affected by crises.

Local humanitarian actors have been at the forefront of the COVID-19 pandemic and are critical to the survival and well-being of the world's most marginalized and at-risk communities. National Red Cross and Red Crescent Societies work across the humanitarian-development-peace nexus and are uniquely placed to accompany and support communities affected by disasters, conflict and fragility. During the COVID-19

pandemic, previous investments by the Government of Canada and CRC enabled local National Societies to reach tens of millions with life-saving messaging and services.

CRC recommends the Government of Canada allocate funding, which is not currently accessible, to strengthen the capacity of local organizations, as well as the regional and global humanitarian surge capacities that allow them to expand their reach to people affected by crises when the humanitarian needs exceed their capacity.

Recommendation 3.2: Allocate \$2 million dollars of funding over 5 years to increase dissemination of International Humanitarian Law (IHL) across Canada, mindful of the global context, including to Canada's Northern communities, to increase awareness and engagement on IHL-related issues.

Further to the investment recommended above, it is important to continue to build education and awareness among Canadians on key global themes. As climate change impacts are resulting in increased insecurity and conflict around the world, as well as involuntary migration, it is critical that Canadians are both engaged and informed global citizens. In our experience, engaging youth on key themes central to IHL and human rights is one of the most successful means to inform and inspire Canadians on how current global threats are affecting communities both around the world, and at home.

CRC proposes further investment in IHL dissemination through conference-based youth engagement as well as an expansion of training, resources and activities that profile issues relating to conflict and climate change, connecting international and domestic issues. For example, a focus on the gendered impact of armed conflict, including Sexual and Gender Based Violence (SGBV) can juxtapose SGBV at the domestic level, such as a focus on the National Inquiry into Missing and Murdered Indigenous Women and Girls in Canada.

Investments in IHL dissemination will result in increased awareness of IHL-related issues, greater understanding of complex and long-term impacts of conflict, and greater engagement on issues of disarmament, conflict-related sexual violence, forced migration, environmental impact, the impact on Indigenous Peoples, and accountability for gross violations of international law.