Oxfam International[*] Submission

September 30, 2008

Views and proposals regarding paragraph 1(e) of the Bali Action Plan

1. Climate change is increasingly a serious and immediate threat to people's livelihoods and development prospects in developing countries, particularly for the most vulnerable communities. Even the most stringent greenhouse gas emissions reduction efforts will allow the world only to limit, and not to avoid, climate change on a scale that will significantly affect, *inter alia*, water availability, agricultural productivity, disaster risk from severe weather events, and health threats, and cause many other adverse effects. During the next decade, adaptation will be the principal response available to address the already unavoidable consequences of climate change.

2. As a result, it is vital that adequate, predictable, and sustainable flows of new and additional financial assistance be provided to developing country Parties. To ensure adequacy and sustainability – and in line with UNFCCC Article 3.1 – these finances must be additional to existing overseas development assistance (ODA) commitments of 0.7% of GNI, and must be made available as grants – not as loans.

3. The burden of funding should be determined based on the respective responsibilities of Parties for their cumulative, historic greenhouse gas emissions, and their economic capabilities; financing mechanisms agreed should thus ensure that developed countries are principally responsible for the generation of funds. Parties should discuss proposals for quantitative criteria concerning responsibility (based on cumulative, per capita emissions) and capability (based on measures such as the Human Development Index) to use as a guideline for assessing specific financing options.

4. By any measure, the financing required to support effective adaptation in developing countries will be massive. Oxfam has estimated that developing countries will require at least US$50 billion annually to address their adaptation needs, and the UN Development Program, in its Human Development Report 2008, assessed that developing countries would require $86 billion annually.

5. Parties should recognize that the volume of finance required for adaptation is linked to the emission reductions achieved, and that weak mitigation obligations adopted by Parties as part of the post-2012 regime will require a corresponding scale-up of finance for adaptation. Parties should thus consider linking the finance made available

[*] *Oxfam International is an international, non-governmental organisation whose application as a UNFCCC observer is pending admission by the COP. This paper is Oxfam's response to the call for ideas and proposals on the elements contained in Paragraph 1 of Decision 1/CP.13 pursuant to FCCC/AWGLCA/2008/L.7.*

by developed countries for adaptation in developing countries to the level of emissions as part of the post-2012 package.

6. In particular, the financing mechanism can be linked to mitigation policies through a combination of instruments such as an auction of some portion of Assigned Amount Units, or the auctioning of allowances or use of levies in the international aviation and maritime sectors. Any of these mechanisms to generate adaptation finance must be designed in a manner that is consistent with an approach based on the responsibility and capability of Parties to ensure that developed countries are principally responsible for the generation of funds.