

## Now More Than Ever: Climate talks that work for those who need them most

### Introduction

The world's governments are gathering in Cancun, Mexico, for the next round of global climate negotiations amid much apathy and disenchantment with the process. People who hoped to see a fair, ambitious and binding global deal in Copenhagen a year ago left there sorely disappointed. Some are questioning the viability of the UN Framework Convention on Climate Change (UNFCCC) to deliver. Others have seized their chance to manufacture doubt over the scientific basis for action.

But now is not the time to walk away from the UN process. Cancun will not see governments cross the finishing line but they can make vital steps to bring that line back into sight. For millions of poor people around the world – those hit first and worst by a crisis they did least to cause – a fair and safe deal to tackle climate change is needed now more than ever.

Poor women farmers from Bangladesh to Malawi do not need scientists to tell them their weather is becoming more unpredictable or that their seasons are shifting. They are already struggling to cope with the consequences of not knowing when and what crops to sow. People with whom Oxfam works have not lost sight of the need for progress in the UNFCCC. This year there have been climate hearings, including in Brazil and India, and international caravans of smallholder farmers and indigenous people and supporters heading for Cancun. The energy to tackle climate change is burning brighter than ever.

Only a deal done under UN auspices can deliver for those that need it most. The Major Economies Forum and the G20 talk about climate change, but so far have taken no real decisions, and – with only a handful of rich or powerful players at the table – they cannot decide on all the issues that matter. These issues include all the support, including new finance, that poor people need to adapt to climate impacts and that poor countries need to pursue low-carbon development. They include sufficiently ambitious and legally-binding emissions targets for rich countries. If progress can be painfully slow and ambition at times dangerously low, then it is the politics in rich countries that we must question and challenge, not the process in the UN.

International attention has focused on the US and China this year – over the global economy as much as the fight against climate change – but Cancun is about much more than a G2 world. The search for effective solutions to the climate crisis cannot be just about a handful of countries, no matter how powerful. Cancun will not deliver everything that a global response to climate change should. But it can deliver outcomes that will have tangible benefits for poor people – including the establishment of a fair global climate fund – and can help rebuild trust between countries. This would help put climate talks back on track.

We have had a stark reminder this year of the devastating power of floods, heat waves and sea level rise. 2010 sent enough reminders about why a fair and safe deal is still so urgent.

# The human costs of climate change since Copenhagen

<u>The first nine months of 2010</u>	<u>The whole of 2009</u>
EXTREME WEATHER EVENTS <b>725</b>	EXTREME WEATHER EVENTS <b>850</b>
LIVES LOST <b>21,000</b>	LIVES LOST <b>10,000</b>

– Munich Re<sup>1</sup>

Climate change is an additional toxic burden for those living in poverty. 2010 has been one of the hottest years so far<sup>2</sup>. Several countries have broken heat records, including Pakistan, which in May logged a temperature of 53.7°C, the highest ever seen in Asia.<sup>3</sup> Arctic sea ice extent was the third lowest on record<sup>4</sup> and one of the Amazon's major tributaries, the Rio Negro fell to its lowest levels since records began in 1902.<sup>5</sup>

## **2010 so far...**

- ***Pakistan logs the highest temperature ever recorded in Asia at 53.7°C***
- ***One of the Amazon's major tributaries falls to its lowest levels since records began in 1902***
- ***Arctic sea ice extent records its third-lowest level***
- ***In China alone flooding affects 140 million people and drought affects 51 million people<sup>6</sup>***

2010 has seen more than twice the number of lives lost as a result of climate-related disasters in its first three-quarters than the whole of 2009. It is also on course to record a higher number of extreme weather events than the ten-year average of 770.<sup>7</sup>

It is difficult to attribute individual climate-related disasters to climate change. But scientists predict that such extreme weather events will become more frequent and severe as a result of climate change in the future. As Dr Peter Stott, head of climate monitoring at the UK Met Office, has said, the odds of extreme weather events are "rapidly shortening, and could be considered the norm by the middle of this century".<sup>8</sup>

Increasing global temperatures are projected to have a major influence on rain-falls, with both wet and dry extremes becoming more severe. Omar Baddour of the World Meteorological Office has also said that 'climate change is exacerbating the intensity of the extremes'.<sup>9</sup> Such climatic changes have dire implications for the lives and livelihoods of poor and vulnerable people around the world.

## **Flooding – Pakistan**

- ***Around 20% of Pakistan flooded***
- ***20 million people affected; 2,000 people dead***
- ***1.9 million homes damaged or destroyed***
- ***Diarrhoea, cholera and malaria outbreaks***
- ***Over 2 million hectares of crops lost, worth around \$1bn lost<sup>10</sup>***
- ***5,000 miles of road and 1,000 bridges washed away***
- ***At least 7,000 schools and 500 health clinics destroyed***
- ***5.3 million jobs lost or affected<sup>11</sup>***
- ***World Bank and ADB estimates the cost of flood damage to be \$9.7bn<sup>12</sup>***

Source: Oxfam compilation

Since July, Oxfam has been working to help people hit by Pakistan floods. Nearly 20 million people, almost the population of Australia, were affected. Ban Ki-Moon said it was the worst disaster he had ever seen. The UN appeal was its largest-ever for a natural disaster at over \$2 billion (it remains only 45% funded<sup>13</sup>). Less than six million people of the 14 million who need help are getting that help from the international community.

The floods ravaged an area larger than England. At least 2 million hectares of crops worth \$1 billion were lost. In a country where agriculture accounts for 45% of employment, the damage and loss to this sector goes beyond mere economics. One of the worst flood hit provinces is Punjab, Pakistan's bread-basket. This province produces around 75% of the nation's primary staple food wheat. There are real concerns that there will be insufficient local food supplies in Pakistan next year.

#### ***Munir and Syeda's story***

In October, husband and wife Munir Ahmad and Syeda, farmers who live in Laskhar Pur Village in Muzafargarh District with their six children, should have been planting wheat. However their four acres of land that normally produces two crops a year of cotton and wheat, have been damaged by the floods. Despite trying to protect their fields by building mud embankments, the floods were unprecedented. The flooding destroyed their cotton crop that had been close to harvest.

"We were growing cotton... the whole crop was ready to be picked. It's been totally destroyed. To cultivate this crop we had taken out loans from our family... Now it's all gone and we have nothing left except one cow. At the moment we have to survive on that to feed our children and ourselves," Munir Admad says.

With their cotton crop devastated, Munir Ahmad and Syeda have lost the income they need to repay their debt and to finance their next wheat crop. They will have to take out more loans to repair the damage to their land and to replace their store of seeds that was destroyed by the insects that have thrived in the wet conditions. They are not sure how they will continue to provide for their children in the future.

#### ***Heat wave – Russia***

- ***Temperatures exceeded the long-term average by 7.8° C in July and August<sup>14</sup>***
- ***Daily death rate in Moscow doubled to 700<sup>15</sup>***
- ***26,000 fires occurred<sup>16</sup>***
- ***Around 25 million acres of land and forest destroyed<sup>17</sup>***
- ***Wildfires destroyed 26% of the wheat crops, leading to Russia to ban exports<sup>18</sup>***
- ***50 villages destroyed and thousands of people made homeless<sup>19</sup>***
- ***\$15 billion losses estimated<sup>20</sup>***

In July and August, a massive six-week heat wave in Russia doubled Moscow's daily death rate to 700. Moscow experienced its hottest month since records began 130 years ago. 26,000 fires broke out, including scores around the capital where drained peat land caught fire and created thick smoke that shrouded the city.

The heat wave had huge ramifications both for Russia and countries beyond its borders. It is estimated that Russia will lose around \$1 billion from its agricultural industry because of the drought and wildfires that destroyed 26% of its wheat crop.<sup>21</sup> Many farmers are left facing bankruptcy. Russia – the world's third largest exporter of wheat – reacted to the disaster by banning its grain exports. Soon after, world grain prices rose and poor people were particularly affected. People rioted in Mozambique over the increased cost of bread.

## Sea level rise – Tuvalu

- **5 to 6mm annual sea-level rise recorded**
- **Tuvalu's islands stand little more than four metres above sea-level at their highest point**
- **Salt water intrusion kills staple crops**
- **Tuvaluans' health affected as reliance on imported food grows**

Source: Oxfam compilation

Sea-level rise and soil salinization in the Pacific continues to harm coastal agriculture. People in Tuvalu for instance are now finding locally-produced fresh food increasingly limited where it was once plentiful and fish stocks abundant. Tuvaluans are now relying more on imported processed foods to survive. Medical problems like diabetes and hypertension – previously little known in the country – are now on the rise.

At their highest point, Tuvalu's nine low-lying islands and atolls of sand and coral stand less than four metres above sea-level. The annual sea-level rise of around 5-6mm – together with the increased frequency and severity of storm events in recent years – is eroding coastland. Salt is now beginning to contaminate the islands' groundwater and scarce arable land.<sup>22</sup>



### ***Niu and lemaima's story...***

loane, 52 (above), lives in Tuvalu. He and his wife lemaima have resorted to growing staple crops in a plot at the end of Tuvalu's international airport to feed themselves and their children and grandchildren. However, many other people have abandoned the plot where Niu grows his food because salt-water intrusion is killing the plants. This happens particularly during the bigger "king" tides. Niu has no access to social security. He doesn't have savings of his own. This situation is making life for his family even more uncertain. "We grow (root crops) taro and pulaka and also some bananas... But it's really the pulaka that we rely on for food and some income. If the crop fails we will have nothing," he says.

## **Adaptation finance saves lives**

- **Every dollar spent on adaptation could save about \$60 in avoided losses**
- **Between 2010 and 2050 the World Bank estimates that developing countries will need between \$70bn-\$100bn a year to adapt to climate change**
- **Developing countries are expected to bear between 75-80% of the costs of harmful climate change**
- **Climate impacts already cost countries an estimated 1%-12% of GDP each year and this could rise to 19% by 2030**

Source: Oxfam compilation

Developing countries are projected to bear 75-80% of the costs of harmful climate change in the future, particularly in Africa and South Asia.<sup>23</sup> This is an additional burden that requires additional funds, beyond the 0.7% of GNI promised by developed countries in Official Development Assistance (ODA). Taking money already promised as ODA risks diverting resources from investments in schools and hospitals. This could throw decades' worth of development gains into reverse.

The World Bank estimates that it could cost developing countries between \$70-\$100bn a year (2005 prices) between 2010 and 2050 to adapt to climate change.<sup>24</sup> This is equivalent to around 80% of what is now spent in overseas aid to reduce poverty. According to the Economics of Climate Adaptation Working Group, current climate impacts cost countries anything from 1%-12% of GDP each year and this could rise to 19% by 2030.<sup>25</sup>

But well-spent adaptation finance can save lives – and money too. Some estimates suggest that under “business as usual” emissions over the next two centuries, in present value terms, every dollar spent on adaptation could save about \$60 in avoided losses.<sup>26</sup> The insurance company Swiss Re suggests that cost-effective adaptation measures can mitigate much of the potential loss – in some locations by more than 90%.<sup>27</sup>

## **A Cancun outcome for those who need it most**

In Copenhagen countries tried to reach a comprehensive agreement on all aspects of a new international climate regime – an “all or nothing” approach. But in Cancun, countries will follow a “step-wise” approach, aiming for a balanced package of decisions in areas where agreements can be found, laying the foundations for trickier issues to be tackled later.

This means there will be no comprehensive legally binding agreement in Cancun. Nevertheless Oxfam believes COP16 can mark a vital step forward in the fight against climate change if the decisions:

- deliver concrete outcomes with tangible benefits for those suffering first and worst from a crisis they did least to cause; and
- repair the trust between rich and poor countries, putting the world back on track to agree a safe and fair global deal.

## **What is in the balance in Cancun...?**

*In Tianjin, everyone agreed on the need for a “balanced” outcome in Cancun. Many definitions are possible, but in the end Cancun will have to find a political balance between the priorities of developed and developing countries. So who wants what?*

*Developed countries want to see progress, in particular, on developing countries' mitigation actions, and on Monitoring, Reporting and Verification (MRV) of those actions.*

*Developing countries want to see progress especially on climate finance, and on agreement on a second commitment period of the Kyoto Protocol.*

*Provided adequate progress is made on these four issues, the talks should progress in other areas, namely on adaptation, on REDD and on technology transfer.*

For Oxfam, success in Cancun boils down to three things.

1. *It must establish a fair global climate fund that delivers for poor people, especially women, as the flagship of progress on climate finance, as the flagship of progress on climate finance.*
2. *Negotiators must bring the high end of developed countries' mitigation pledges to the table, accept that these will not be adequate to keep global warming below 1.5°C, and resolve to do something about it.*
3. *Agree a path towards a comprehensive, fair, ambitious and binding global deal for both the Kyoto Protocol and Long-term Co-operative Action (LCA) tracks.*

### **A fair global climate fund**

Climate finance is a priority of developing countries because it is vital to their capacity to adapt to the impacts of a changing climate and embark on a low-carbon development pathway. A fair climate fund is essential to ensure that new and additional public finance reaches those who need it most and can use it best.

Existing arrangements for channelling climate finance fall far short of what is needed. It resembles a spaghetti bowl of different channels, both bilateral and multilateral. Developing countries have to shop around different funds, each with its own eligibility criteria, application procedures and reporting requirements, for relatively small and usually one-off amounts of money.

Most of these funds conform to a donor-dominated aid paradigm – they tend to privilege the interests of donors over the recipients. The World Bank's Climate Investment Funds (CIFs) – the preferred choice of many developed countries – are housed in an institution where rich countries are the major shareholders. Climate finance is not aid or charity and shouldn't be treated as such. It is a legal responsibility of developed countries under the UNFCCC in recognition of the damages caused in the process of their carbon-rich industrialisation.

A fair, “one-stop-shop” under the UN is urgently needed. To be effective a decision on a new fund in Cancun must contain at least two key elements.

First, it must guarantee adequate resources flow to help poor countries adapt. Oxfam estimates that less than 10% of overall climate finance is currently flowing to adaptation<sup>28</sup>. A new fund must address this adaptation gap by establishing a dedicated window for adaptation, and guaranteeing at least 50% of the overall resources in the fund for it. Second, a new fund must address the specific concerns of women. Women are on the front-lines of

the climate crisis. They are worst affected by climate impacts but are also vital in building resilience in poor communities. As Bangladesh noted in Tianjin, smallholder women farmers know more about adaptation than those negotiating their future. Women must have a say in who controls the climate cash. The composition of the fund's executive board must be gender-balanced, and women must be at the heart of its funding priorities.

Governments must also make progress on the scale and sources of long-term public finance. At Copenhagen there was limited progress made on the scale of long-term finance. Developed countries committed \$100 billion per year by 2020 in new and additional funds to support adaptation and mitigation in developing countries. While questions remain over this sum – for example, how much should come from public funding, and how it should be defined as “new and additional”<sup>29</sup> – Cancun should at least refer to this figure as a guidepost to the scale of long-term climate finance needed in a new fund.

The UN High Level Advisory Group on Climate Finance (AGF) published a report in November that shows \$100 billion can be reached without squeezing tax payers or raiding funds already promised for development finance. One of the best opportunities for doing so is through a scheme that both controls uncapped emissions from international transport ('bunkers') and raises new revenue for a new climate fund. In Cancun, governments must resolve to establish a levy on ship and plane fuel that could raise billions.

Finally, rich country governments must show they have kept their Copenhagen promises to deliver \$30 billion in 'fast start finance' in 2010-2012. It is already clear that a significant amount of this money is not new and additional. In Cancun rich countries must be honest about this, not massage numbers in order to wriggle out of their commitments. Rich countries must recognise their promises of finance will never be fully trusted until they are made alongside fair, common accounting rules. Agreeing such standards is a priority for the post-2012 financial architecture.

### **Developed country mitigation pledges**

The acid test of the climate regime remains whether the world can make rapid, deep and enforceable reductions in global emissions in time to prevent catastrophic climate change. As those who have emitted most greenhouse gases during their industrialisation, developed countries have the greatest responsibility and most capacity to reduce emissions first and fastest. In Cancun, they must show they are serious about this.

To prevent backsliding, rich countries must first insert the mitigation pledges they made under the Copenhagen Accord into the formal negotiating process. Developed countries that are signatories to the Kyoto Protocol should register them in the negotiations on a second commitment period from 2012. All rich countries should register their pledges in negotiations under the LCA.

However, these pledges are inadequate to meet what science suggests is needed to have a decent chance of keeping global warming below the 2°C target in the Copenhagen Accord – let alone the 1.5°C needed. Indeed, most estimates suggest they put the world on course for more than 3°C of warming<sup>30</sup> which would have catastrophic consequences for vulnerable people around the world. Cancun must recognise this inadequacy and resolve more detail on how to do better. The costs of further delay will be measured in human lives.

### **Agree a pathway to a FAB deal**

Alongside meaningful progress at COP-16 – such as the establishment of a fair global climate fund – Cancun must also show governments are committed to build on the UN global climate regime, and to strengthen rather than undermine its core principles and rules.

Cancun must include a mandate to continue negotiations towards a comprehensive and legally-binding outcome, across both the Kyoto Protocol and LCA tracks. It must commit to conclude negotiations on a second commitment period of the Kyoto Protocol. This would

give developing countries some confidence that rich countries will indeed have to cut their emissions first and fastest.

Governments must be clear that climate change can only be tackled through a global solution under the UN. Mitigation targets have to be set in a fair multilateral process that involve all countries – rich and poor – on the basis of scientific evidence and their common but differentiated responsibilities to act, and the adaptation needs of vulnerable countries and communities are met.

The 'pledge and review' approach to tackle climate change embodied in the Copenhagen Accord is inadequate for the scale of the challenge. Without common and binding rules to govern both mitigation actions and climate finance, there is no guarantee that the global effort required will be met or fairly shared.

## Beyond a G2 world – the ones to watch in Cancun

Cancun will not be just about what two countries decide – no matter how powerful. Nor should it be. If the interests of poor people are to be put at the heart of the climate conference, negotiators must listen to many countries. The table below outlines some of the unusual suspects to watch in Cancun – big and small, rich and poor – on the issues that matter to those with most at stake in the talks.

<b>Bangladesh</b>	Bangladesh speaks from experience on the frontline of climate change. In Tianjin, it stressed the importance of taking gender into account in the design of a new global climate fund, claiming " <i>women farmers in Bangladesh know more about adaptation than the negotiators in this room</i> ". Bangladesh means business on finance in particular. Out of five submissions on a global climate fund made in Tianjin, four were from large groupings and powerful players: US, EU, G77/China and the LDC Group. The fifth was from Bangladesh.
<b>Bolivia</b>	Bolivia has markedly increased its engagement with the UN climate talks since 2007. It became widely known both for its opposition to the hastily-drafted Copenhagen Accord at COP15 and for its sponsorship of the unique gathering in Cochabamba in April 2010, the 'World Peoples' Conference on Climate Change and the Rights of Mother Earth'. Bolivia presented the main elements from this conference as a formal submission to the UN negotiations. It has consistently pushed to make the final agreement more ambitious and consistent with principles of climate justice, including the promotion of the rights of indigenous peoples. Bolivia is a staunch defender of the Kyoto Protocol and its continuation beyond 2010 and has a strong interest in securing resources for climate adaptation efforts. Bolivia is deeply concerned by the possibility that a REDD agreement under the talks could be framed primarily or indeed entirely as a market-based flexibility mechanism that could allow rich countries to offset emissions they should reduce domestically.
<b>Brazil</b>	Brazil has been quiet in the climate talks in 2010. After President Lula's inspired speech in Copenhagen, more was hoped for. National elections have dragged attention away from the international talks. The implementation of domestic climate legislation has been slower than hoped. Brazil is expected to come to Cancun to announce a worthy 34% reduction in emissions since 2005, mostly from reduced deforestation. But with Rio+20 just one year away, now is not the time for Brazil to sit back in international efforts to confront the challenge of sustainable development. Expectations will be high on new President Dilma Rousseff to follow in Lula's footsteps and position Brazil as a global leader in the fight against climate change. She should start by championing a fair climate fund that reflects the needs and unique contribution of women. She must engage in efforts to establish finance-raising schemes from international aviation and shipping, to ensure additional resources for the new fund without harming developing countries' trade.



<b>China</b>	China has shown it is ready to do serious business in tackling climate change. In 2010 it became clear that China's targets to reduce carbon intensity by 40-45% voluntarily (without support from rich countries) will be brought under domestic law, just as China became the world's biggest investor in wind power. China stood up for the interests of poorer members of G77 this year – challenging the US in Tianjin over its double-counting of part of its 'fast start finance' with its commitment at the G8 in L'Aquila to provide new resources to tackle food security. On the MRV and ICA issues, it is China that has moved ahead of G77 partners in response to developed country demands. All this starts to position China as a leader in the race to the low-carbon and climate-resilient future. If the US fails to deliver the minimum needed for it to remain part of the search for collective answers, many will look to China alongside the other BASIC countries, EU and vulnerable members of G77 to move ahead without them.
<b>Colombia</b>	The Colombian city Cartagena lent its name to the UN talks' newest and most innovative grouping of countries – those co-ordinating as the Cartagena Dialogue for Progressive Action. The Cartagena Group is the first to bring together developed and developing countries to look for ambitious compromises that bridge current divides. From Costa Rica to New Zealand, members have agreed texts on the key issues of finance, mitigation and legal form as an example of what could be done in Cancun.
<b>EU</b>	The EU has brought little that is new to the table this year, but it has been more open to the concerns of developing countries – learning lessons from the mistrust that grew before Copenhagen. In 2010, as well as being more open to a second commitment period of the Kyoto Protocol – having been accused of wanting to “kill Kyoto” in 2009 – the EU performed a welcome 180° turn on the need to establish a new global climate fund. Indeed, the EU's proposals on the new fund in Tianjin won praise from developing countries, encouraged by the EU's new constructive approach. But to be the leader it once was, will take something special in Cancun. That won't be a move to the 30% below 1990 levels mitigation target (that debate will resume in 2011), and the Kyoto card has already been played, so it must show leadership on finance. The EU should champion the kind of fund that ensures sufficient resources flow to adaptation, giving women a strong voice in how it is spent, and set the highest standards for transparent reporting on delivery of their 'fast start finance' pledge, as a model for the world.
<b>India</b>	Like Brazil, India has stepped back from the limelight in 2010, at times seeming disillusioned with the process. Some EU negotiators were concerned that Environment Minister Ramesh's involvement in ministerial discussions in 2010 was notable only for its silence. But in recent weeks, India has come to the fore once more, making concrete compromise proposals on the tricky issue of Monitoring, Reporting and Verification (MRV) of developing country mitigation actions that are supported by developed country finance; and related International Consultation and Analysis (ICA) of actions not receiving financial support. As a key demand of the US and other developed countries in Cancun, this proactive move could prove decisive in unlocking progress on climate finance.
<b>Kiribati</b>	A member of the AOSIS grouping of small island developing states (SIDS) and host of the recent Tarawa Climate Change Conference (a session of the Climate Vulnerable Forum or V11, Kiribati has championed the need to put gender concerns at the heart of the climate change response. Anne Kautu, the head of the government's Women's Unit, said: “Poorly designed climate policy in countries (that are) most vulnerable to climate change will extend inequalities between women and men ... We must include women's ideas, roles and responsibilities in the policy machinery and international fora if we are to succeed ... In Kiribati we know the impacts will fall hard on many people – but hardest on women and girls.”

<b>Malawi</b>	Malawi leads the LDC Group on finance issues and exemplifies the spirit of small delegations with big impact. They have raised the LDC flag repeatedly in the otherwise intractable negotiations on emissions from international aviation and shipping ('bunkers') – arguing forcefully for an outcome which both targets emissions and raises badly needed finance – new and additional to existing targets for development aid. In Tianjin, the LDC Group, chaired by Lesotho, called for 70% of climate finance channelled through a new global climate fund to flow to adaptation – recognising the massive adaptation gap in the current financing system.
<b>Mexico</b>	As President of the COP, Mexico has a major responsibility for steering the talks towards an outcome that puts poor people first. The delegation has expertly managed the transition from the acrimony of Copenhagen's final hours – steadily rebuilding trust between Parties. A year of inclusive shuttle diplomacy has helped bring the talks in sight of an optimistic outcome. But its real test is Cancun – and Mexico will do all it can to avoid a catastrophe at their COP. But the question now is whether it will settle for a lowest common denominator agreement or push Parties towards a more ambitious conclusion. Mexico has long championed the establishment of a Green Fund. Part of the legacy of their COP will depend on whether a fund is established which delivers for poor people, especially women.
<b>Pakistan</b>	Following the most devastating floods in their history, Pakistan will speak in Cancun with undeniable moral authority about the urgency of action to protect vulnerable communities from savage climate impacts, and the scale of the challenge. As the current chair of the existing Adaptation Fund Board – the favored channel of adaptation finance for developing countries – lead negotiator Farrukh Iqbal Khan has as much expertise as anyone in designing a fair financing system that works – getting money to the people who need it most, and can spend it best. Pakistan has led in G77/China on the governance of climate finance, chairing the talks in Copenhagen before world leaders arrived and the formal negotiating process became a sideshow. Their proposals in this area will be hard for any country to ignore.
<b>Philippines</b>	The delegation from the Philippines brings extensive experience to the climate finance debates. Keen to learn the lessons of development finance, they recognize the need for adaptation finance in particular, to come in the form of grants not loans. While the “building-block approach” is seen as a pragmatic strategy, i.e. negotiators will push for agreements in adaptation, REDD, tech transfer and capacity-building the overall perspective remains that negotiations around these areas will have to remain clearly framed, anchored and linked to negotiations on climate finance.
<b>South Africa</b>	In 2010 South Africa emerged from the shadows of the bigger members of the BASIC grouping (Brazil, South Africa, India and China) to stake its claim as a key progressive voice and consensus-builder within G77/China, and between developed and developing countries. With talks at a standstill in the closing plenary in Tianjin, South Africa mediated the compromise, first in G77/China, and then in the plenary. With an eye on their presidency of the COP in Durban next year, the South African delegation has plenty of interest in ensuring a positive outcome in Cancun – one that restores trust between rich and poor countries and gives the world something meaningful to shoot for at COP-17. As part of the Africa Group, South Africa is a strong advocate for a fair and effective climate finance system – rationalizing the tangled web of financing channels and ensuring developing countries have ownership over the way funds are spent.
<b>US</b>	2010 has been a bad year for the US contribution to global efforts to tackle climate change. Mid-term elections have made economy-wide national climate legislation – already difficult to pass – near impossible for the next two years at least. But the world will not simply dismiss US involvement in the global effort out of hand. Finding agreement on the legal form of the final outcome to talks will now be tough, but the US needs to be at the table if a

strong solution is to be found. To stay there, the US must, as a minimum, publicly stand by its existing international commitments made in Copenhagen as part of a Cancun outcome. That means transparent delivery of the US 'fast start finance' pledge, re-committing to their 17% below 2005 levels mitigation target, and supporting the establishment in Cancun of a fair, independent global climate fund, that delivers for poor people, especially women. The US must not hold the establishment of a new fund hostage to other parts of the Cancun package, such as progress on MRV of developing country mitigation action – not least when they have failed so far to embark on any serious action of their own. Supporting the fund is one way to give assurances that they take their international commitments seriously. It means dropping opposition to a firm deadline of COP-17, by which the fund must become operational. If the US fails to meet even these minimum benchmarks, the world may have little choice but to move forward without it in 2011.

The list could, and should, go on. Countries from Ethiopia to Maldives, Norway to Granada and many more besides, all have much to contribute to the global debate and continue to do so. Their diversity can seem like an obstacle to progress. In fact, it is the only thing that makes progress possible. A problem that is affecting the whole world needs the whole world to design an effective solution.

## Conclusion

Climate change is not last year's news – it is today's and it is tomorrow's. For those people on the frontline of new and unpredictable seasons, to those facing increasingly severe and frequent floods and droughts, the climate change story is one that has never gone away.

Cancun will not deliver the agreement that Oxfam and developing countries wanted in Copenhagen. But that is not to say the UN process is broken. There remains no alternative to the UN with anything like the same track record of taking meaningful decisions which binds all countries to action.

Would the US have put even its 17% mitigation target on the table – inadequate as it is – by talking in the Major Economies' Forum? Would the EU have passed the most extensive package of climate legislation anywhere in the world – the Climate and Energy Package of 2008 – at the height of the global banking crisis, without looming deadlines imposed by the UN process? Would BASIC countries have taken the early actions or made the pledges they have? Would vulnerable country governments now have started to seriously consider the adaptation needs of their populations, and plan for them? Would more than 100 world leaders – for all the chaos, the recriminations, the mismanagement and mistrust – have come together in one building to talk about one issue, the defining issue of their generation and that of generations to come - climate change – without the UN process?

The short answer to all these questions is “no”. Those on the frontline of the climate crisis cannot afford for the talks to be written off and they cannot afford for them to fail. In Cancun, and in the difficult negotiations that will undoubtedly follow it, that is a fact that no negotiator, journalist, activist or politician should forget.

Cancun must establish a fair global climate fund that delivers for poor people, especially women. It must show the way towards the full, fair, ambitious and binding agreement vulnerable countries and communities need. As the devastating impacts of climate change in 2010 show, it is a deal which is needed now more than ever.

## **Oxfam International www.oxfam.org**

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