

## Oxfam International

Verbal and Written Submission to the African Group of Negotiators (AGN)

# #CSOs -AGN Meeting in Dar es Salaam

# Summary:

Oxfam<sup>1</sup>, on behalf of Civil Society Organizations and communities across Africa, is pleased to share this submission with the AGN – on the occasion of the convening of CSOs-AGN Dialogue on Just Transition in Dar es Salaam. The submission is part of the influencing effort to work through the outstanding issues on the road to Belem (COP30). This submission covers: Baku to Belem Roadmap, Adaptation Finance, Just Transition, Loss and Damage.

## 1. Baku to Belem Roadmap

- 1.1. We urge the AGN to provide a constructive and critical feedback to the Baku to Belem Roadmap draft that will be published on September 8th, in order to ensure that the Roadmap and COP30 provide signals and an ambitious pathway forward for scaling up climate finance based on the existing needs and increasing climate finance gap, particularly for the African continent. In order to do so, some of the key messaging to position in its revision of the draft could be based on the following asks (specific messages for Africa):
- 1.1.1. The roadmap should be considered by the CMA taking note specifically of the opportunities the Roadmap could offer for increasing the quantity, quality and accessibility of climate finance for Africa, LDCs and SIDS.
- 1.1.2. The roadmap should include a clear plan for achieving both the \$300bn target as well as the \$1.3 trillion call to action, identifying viable pathways and milestones, actors and actions. For Africa, public finance (especially grant-based) is key for the achievement of its national climate objectives, especially for adaptation and Loss & Damage.
- 1.1.3. The roadmap should sketch out how developed countries will significantly increase public grant and highly concessional finance within the \$300 bn target.
- 1.1.4. The roadmap should detail out how to achieve the agreed balance between mitigation and adaptation, including through providing quantified scenarios how to increase adaptation finance specifically acknowledging and addressing the adaptation finance gap for Africa (with 80% unmet in 2021/2022) and for LDCs/SIDS.

Oxfam is a global movement of people fighting inequality to beat poverty and injustice. As global confederation of 20+ affiliated organizations working in more than 85 countries, Oxfam is a movement of millions of people committed to social justice, working to support communities to build better livelihoods, grow resilience and protect lives especially in times of crisis. Oxfam's multi-mandate is built around 5 priority pillars: (a) Gender Justice - challenging harmful social norms and violence against women and girls; (b) Climate Justice- taking action to change the course of the climate crisis; (c) Just Economies - for fair and sustainable economic models that put people and planet at the centre; (d) Humanitarian Action to protect and save lives; and (e) Accountable Governance to advance inclusive and accountable governance systems to help safeguard human rights.

- 1.1.5. The roadmap should contribute to building a solid foundation for finance to address and respond to loss and damage, based on public grant finance acknowledging that unmet loss and damage finance considerably threatens the capacities and fiscal space of African countries to address urgent climate challenges.
- 1.1.6. The roadmap should include concrete actions to remove access barriers to climate finance, with measures to enhance direct access modalities for locally-led initiatives, including ensuring accessible funding to frontline communities through dedicated and simplified channels. As an example: only 7% of the current GCF funding (\$18bn) is being channeled through African Direct Access Entities (4.9% when considering national entities).<sup>2</sup>
- 1.1.7. The roadmap should include options to tap into sources of finance, such as global wealth taxes, excess profit taxes for mega-corporations and the fossil fuel industry, SDR reallocation (more detail provided below). This could be leveraged as a strong counter argument against the narrative from Global North countries that there are no sufficient public sources of finance to tap into.
- 1.1.8. The roadmap should include options to mobilise private finance in ways that benefit local communities and local economies, ensuring accountability and preventing profit-driven agendas from overshadowing climate justice imperatives.
- 1.1.9. Should include options to enhance fiscal space in developing countries through addressing the debt burden, including through the cancellation of bilateral and multilateral debt, disaster clauses in future lending instruments etc.
- 1.1.10. The roadmap should contribute to provide clarity on what counts as climate finance in the context of the \$300 billion target and the \$1.3 trillion, by formulating key definition elements and including an exclusion list e.g. carbon credits or finance for projects that are incompatible with the 1.5°C limit, including fossil fuel investments.

# 2. Adaptation Finance

- 2.1. We urge the AGN to push for a renewed and more ambitious commitment to scale up adaptation finance, following the Glasgow Climate Pact's goal of doubling 2019 adaptation levels by 2025. The LDC group has called for tripling adaptation finance by 2030, from 2025 levels. In this sense, we encourage AGN to develop an aligned proposal commensurate with the scale of adaptation finance needed (only 27.5bn out of the 387bn needed by 2025 according to NDCs and NAPs).
- 2.2. Developed countries must make new pledges to the Adaptation Fund by COP30, so the AF can reach the adopted fundraising target for 2025 (\$300m in new pledges).

## 3. Scaling up Public Climate Finance

3.1. The importance of the financial obligations of developed countries to support developing countries in addressing climate change has been recently reflected by the request made by several negotiating groups to address Article 9.1 of the PA (and Article 4.3 of the Convention) as a negotiating item at SB62/COP30/CMA7.

<sup>&</sup>lt;sup>2</sup> https://data.greenclimate.fund

- 3.1.1. Scaling up public grant finance: In theory (based on civil society estimates), almost all of the \$1.3 trillion call to action would have to be met through public finance and especially grant and highly concessional finance, with (mobilised) private finance coming on top. This requires new commitments by all contributors, bilateral and multilateral, to significantly increase public climate grant and highly concessional finance for the period after COP30.
- 3.1.2. Public finance can be leveraged through a wide range of innovative sources of tools. These examples can be leveraged throughout AGN's advocacy on the Baku to Bélem Roadmap (particularly for countering the argument of insufficient public finance and by which private finance risks to dominate the 1.3 trillion landscape, as well as tackling options to enhance fiscal space in developing countries by tackling the debt burden, among other options):
  - a. Tax the richest and biggest polluters: All governments, especially G20, should implement progressive taxation measures, including:
    - a. A global wealth tax of up to 5% on multi-millionaires and billionaires, which could raise over \$1.2 trillion annually in OECD countries alone.
    - b. An excess profit tax on mega-corporations, which could raise up to \$681 billion annually, of which portion of the revenues should be earmarked for climate finance.
    - c. A profits tax specifically on fossil fuel companies, applying to their fossil fuel activities, could raise \$400 billion in its first year and ensure fossil fuel production is always less profitable than renewables.
  - b. SDR reallocation: Developed countries, including 67 countries, should reallocate at least half of their SDRs as quickly as possible to lower-income countries, with a portion allocated specifically for climate purposes. Additionally, issuing new SDRs of \$200 billion per year would strengthen the economic positions of developing countries and their ability to confront the climate crisis and engage in just transitions further.
  - c. Debt relief: All countries, especially G20, must support debt cancellation for low-income countries to create fiscal space for climate action, including cancelling bilateral and multilateral debt for countries facing climate-related economic shocks.
- 3.1.3. Loans should be limited to interventions where such loans do not increase the debt burden of recipient countries. Many forms of climate action cannot be viably funded through lending, in particular most adaptation and loss and damage, as well as many forms of mitigation, particularly in low-income and lower middle-income countries. Even when loans are used, many projects that can generate returns, such as renewable energy generation, will not proceed without highly concessional lending instruments.
- 3.1.4. Climate finance must be new and additional to the 0.7% GNI ODA target. It cannot come at the expense of vital development and humanitarian programs. Climate finance is an additional obligation, entirely separate from the existing 0.7% GNI target for ODA.
- 3.1.5. Transparent systems for tracking financial flows, independently verifying impact, and ensuring accountability are essential. Clear and standardized reporting mechanisms, including the grant equivalent of all financial contributions, must be rigorously implemented.
- 3.1.6. Reform the MDBs to make them fit for purpose: While MDBs are increasingly positioned as key providers of climate finance, fundamental reforms are needed to address inherent flaws before their role can be genuinely effective and just.

## 4. Just Transition

- 4.1. We urge the AGN to keep justice at the heart of Just Transition recognizing that a majority of countries lack the policy and fiscal space to absorb or compensate for disruptions to labour markets, government revenue, or to implement the economic diversification and just transition activities that are needed to transition away from polluting industries, in the energy and other sectors. Achieving the pace and ambition required by the Paris Agreement therefore requires a new wave of multilateral cooperation and solidarity, where attention is given to both: 1) the policy space, by challenging global rules that allow double standards when it comes to industrial policy capacity and environmental and social protection levels, and 2) the fiscal space, by taking a courageous multilateral approach to funding a Just Transition.
- 4.2. The Just Transition Program offers a unique chance to bring back equity at the heart of the climate negotiations. COP30 is the critical year to ensure the JTWP is fully actionable and implementable and we have the opportunity to evolve the JTWP into a mechanism that actively supports equitable and urgent climate action, grounded in real-world concerns.
- 4.3. The <u>informal note</u> adopted in Bonn in June this year is an excellent starting point for negotiations and includes many of the elements we believe are crucial to ensure a global just transition. Some elements need to be strengthened however, like the principles reflected in para 11 and the reference to NDC, NAPs and LT LEDS in para 14.
- 4.3.1. Para 11: the informal note adopted at SB62 already references many principles under para 11, but there are also elements missing like a principle on ensuring strong safeguards for the sourcing of transition minerals. We urge the AGN to consider the inclusion of the following additional principles to underpin Just transition planning efforts, or specific components as part of NDCs, NAPs, LTS or other planning instruments:
  - a. Be designed and implemented at <u>country level</u> and aimed at securing dignity for all within planetary boundaries.
    - a. National and sectoral objectives that are aligned with the Paris Agreement and decision 1/CMA.4, para. 51: encompasses pathways that include energy, socioeconomic, workforce and other dimensions.
    - b. A focus on sufficiency, efficiency and circular economies, avoiding green extractivist approaches that put undue pressure on the environment, land, resources and Indigenous Peoples, and communities.
- b. Be built with workers, communities and all rights- holders' voices and (based on peoples' realities, needs and inputs)
  - a. Robust and inclusive consultation institutions and processes and participation in planning and decision making processes at the national, regional and local level - with on the one hand tripartite social dialogue involving government, employers and workers to shape labour policies, and on the other hand engagement with rightsholders and relevant stakeholders on all other aspects of Just Transition.
  - Respect, protection, and fulfilment of human rights, which include economic, social, environmental and cultural rights, people of African descent and Indigenous Peoples' rights, labour rights, the right to health, rights of persons with disabilities, rights of

- future generations, the rights of minorities and other marginalised groups, and the right to development.
- c. Uphold the Right to Free Prior Informed Consent (FPIC) of all Indigenous Peoples, and ensure all affected communities are consulted and have access to grievances mechanisms and fair compensations.
- d. Robust and transparent assessment/identification of social, economic, and environmental impacts, with intersectional consideration and integration of the most diverse social realities -, including but not limited to gender, race, ethnicity, class, disability, age, income, -, taking measures to avoid and mitigate them, with full accountability mechanisms and remedy for damages done.
- c. Offer prosperity and reduce rather than entrench inequalities.
- a. Decent work, labour rights, safe and dignified lives for all with active participation of all workers in transition plans, including formal and informal, popular, women and gender-diverse, young, senior, care and domestic workers.
- b. Universal, disability responsive and gender-transformative social protection programs/policies, with particular attention to those marginalized and with the establishment of universal social protection floors as the priority.
- c. The care economy as a central axis towards a just transition, including a systematic, institutional and domestic recognition, reorganization and redistribution of the labor that enables social provisioning and reproduction, primarily undertaken by women.
- d. Governments provide quality public services meeting their obligations to fulfill economic, social and cultural rights, such as the rights to sustainable energy, food, education, health care, housing, water, and sanitation, and put food sovereignty policies in place.
- d. Outline the role of <u>international cooperation</u> as an essential tool for generating an enabling environment for Just Transition to happen in all countries, including
  - a. Access to non-debt-creating climate finance for supporting the realization of the above principles in countries with limited capacity to undertake those.
  - b. New forms of investment and trade agreements away from unequal, extractive and/or neo-colonial exchange dynamics. Measures must ensure fair terms of trade, preventing exploitative practices, and upholding labour and other human rights, including economic, social and cultural rights such as the right to health, and environmental standards to create a more balanced, equitable, and inclusive global trade system.
  - c. Facilitation of broad-based access to human rights compliant renewable energy and other climate-related technology goods for the Global South
  - d. Enable developing countries to diversify their economies, build alternative economic models and facilitate the establishment of domestic ownership and manufacturing capacity.
- 4.3.2. Para 14: The AGN should call for integrating comprehensive, rights-based Just Transition strategies into NDCs and NAPs contributing to long-term resilience, equity, and sustainable development. There is a reference to this in para 14, which "Encourages Parties to consider just transition pathways in developing and implementing national climate plans and strategies, including NDCs, NAPs and LT-LEDS, that are aligned with the outcomes of the first Global Stocktake and relevant provisions of the Paris Agreement". However, para 14 is not strong enough yet, and we would like to see a more legally binding obligations like shall

instead of encourage in the final text. We urge the AGN to champion stronger more legally binding text for para 14.

- 4.3.3. Para 11g: the compromise reached in Bonn were the 3 options below:
  - a. 11g: Option 1: The importance of facilitating universal access to clean, reliable, affordable and sustainable energy for all, including through the scaled-up deployment of renewable energy and access to clean cooking, and that such efforts may promote energy security and present significant socioeconomic opportunities associated with transitioning away from fossil fuels in a just, orderly and equitable manner, while acknowledging that pathways to energy transitions will vary by country in accordance with national circumstances; Option 2: The importance of facilitating universal access to clean, reliable, affordable and sustainable energy for all, including access to clean cooking, and that such efforts may promote energy security; Option 3: (no text).
  - b. We urge the AGN to go for Option 1 which is by far the best option as it addresses both the right to, and the importance to facilitate clean and affordable energy access, and the importance of transitioning away from fossil fuels.
  - a. Fossil fuels are the main drivers of the climate crisis: 75% of greenhouse emissions are caused by coal, oil and gas. In order to achieve the goal of limiting the global temperature to 1.5 °C, fossil fuel extraction must decline immediately and stop globally by 2050. We do believe transitioning away from fossil fuels is imperative.
  - b. To address equity and the principle of CBDR-RC a global phase out of fossil fuels must be done with principles of justice, with a timeframe that gives more time to those countries where the social impacts are more challenging to manage. This leaves African Countries with more time to transition away from fossil fuels.
  - c. We share with the AGN the position that significant concessional financial support is required in order for African countries to transition away from fossil fuels but we also believe that the JTWP can be a vehicle to drive that conversation and may come to conclusions that underscore and commit to these efforts and we are happy to see references in the text reflecting this like references in paragraph 23 to 25.
  - d. Also, there are many other good reasons for transitioning away from fossil fuels: The global demand for fossil fuels is predicted to decrease, which means countries that continue to rely on FF will start losing markets. For instance, in 2024 the demand for oil grew only 0.8%, about half less that in 2023, according to the <u>International Energy</u> <u>Agency.</u>
  - e. Additionally, the costs of installing and maintaining energy projects based on fossil fuels are so high that they may take up to 15 years to produce revenues (CSER, 2023).
    It is not so strategic then to invest in such costly infrastructure that may soon become obsolete.
  - f. Renewable energy is predicted to become cheaper than fossil fuels across all applications (Oxfam, 2022), and its maintenance can be significantly lower because they do not require fuel purchases, which are a major expense for fossil fuel plants (Joeri et al, 2024). Unlike fossil fuels, renewables can be used and be of different scales within different localities and communities. They are a lot more versatile compared to a giant oil field.
  - g. Despite extended narratives that link fossil fuel economies with ideas of development and progress, research has shown that these are hardly the realities for Global South countries. Comparative studies have shown that "fossil fuel wealth can in fact even

slow down countries' economic modernisation, poverty alleviation and democratic institution-building (Gupta et al, 2024, p.47)".

- h. Many developing countries that are highly dependent on oil and gas, such as Nigeria, have suffered from the so-called resource curse. Despite receiving high revenues from oil production, the country has been unable to diversify its economy and redistribute wealth among wide sectors of the population. While the oil and gas sector represents 65% of government revenue, more than half the population live under the poverty line [World Bank, 2024]. Colonial extraction pattern, in which large multinational companies (Shell, Chevron, ExxonMobil, Total) obtain raw oil from Nigeria and refine it overseas, has contributed to the country's curse.
- i. Another common narrative around fossil fuels is that they bring economic stability (<u>SEI</u>, 2025). However, the reality is that economies that depend heavily on selling fossil fuels are more exposed to instability. The reason is that prices of coal, oil and gas are very volatile, often related to geopolitics and wars. This can lead to fiscal instability, sudden revenue losses, and economic crises when prices fall (IISD, p.3). On the other hand, renewable sources like sun and wind are free, so renewables help keep prices more stable and predictable.
- 4.3.4. Para 25: addressing unilateral trade: It is unclear how this item will be addressed in Belem. We urge the AGN to clarify their position on trade restrictive climate policies, in reference to the withdrawn agenda item footnote that stated that it would be discussed under existing agenda items such as the JTWP.
  - a. Recalls paragraph 69 of decision 1/CMA.5 which notes that scaling up new and additional grant-based, highly concessional finance and non-debt instruments remains critical to supporting developing countries, particularly as they transition in a just and equitable manner;
  - b. [Option 1: Placeholder on promoting international cooperation and addressing the concerns with climate change related trade-restrictive unilateral measures; Option 2: Placeholder on cross-border impacts of climate measures, including trade impacts Option 3: [no text]]
  - c. Our position is that revenues from the EU's Carbon Border Adjustment Mechanism and similar measures by Canada or the UK should be channeled into additional climate finance for poor countries. This money must not come from already allocated aid budgets for low-income countries. On top an exclusion or exemption period for poorer countries (Least Developed Countries (LDCs) should be provided;
- 4.3.5. <u>Para 28</u>: international mechanism: We are calling for this international mechanism to address current global barriers like trade and investment barriers for developing countries to make a just transition.
- 4.3.6. We see the role of an International Mechanism as follow:
  - a. Identifying current gaps and filling these, overcoming barriers and avoiding replication of efforts on Just Transition among mechanisms and bodies worldwide and identifying ways forward on international cooperation and means of implementation on just transition
  - b. Creating synergies and providing recommendations and establishing common metrics or indicators for what constitutes a just transition

- c. Coordinate funding or support the establishment of a financial window for just transition and guide financial assistance to communities, workers, and sectors facing decarbonization.
- d. Building capacity and supporting countries—especially low-income ones—in developing context-specific just transition plans, ensuring that the benefits of climate action are shared fairly.
- e. Tracking progress and supporting countries in being transparent and accountable in implementing their just transition commitments.
- f. Facilitating the sharing of experiences, best practices and lessons learned among countries, labour unions, Indigenous Peoples, and other stakeholders.

## 5. Loss and Damage

- 5.1. We urge the AGN to call on rich countries to provide the much-needed finance to the Fund for responding to Loss and Damage (FRLD). They should go to COP30 with new pledges matching their capacities and historical responsibilities and contribute to the full capitalisation of the Fund.
- 5.2. AGN should call on the Brazilian COP30 Presidency to convene a pledging event at COP30.
- 5.3. The WIM review is the opportunity to reaffirm L&D as a crucial pillar of climate action, and clarify that without substantive scaling up of public and grant-based finance for L&D there will be no climate justice. The WIM review needs to send a clear message about scaling up public and grant-based finance for L&D also to infuse sufficient trust in the negotiations to ensure smooth progress across the board.
- 5.4. We note that the informal note produced at SB62 has a paragraph recalling the language from NCQG 1/CMA.6 para 19 on "acknowledges the significant gaps that remain in responding to the increased scale and frequency of loss and damage, and the associated economic and non-economic losses and recognizes the need for urgent and enhanced action and support for averting, minimizing and addressing loss and damage associated with climate change impacts". This is important and should be maintained in the final decision but it should be complemented with an explicit call to developed country Parties to substantially increase the provision of public and grant-based resources for addressing loss and damage, including for the Fund for responding to Loss and Damage and the Santiago Network for Loss and Damage.
- 5.5. The AGN should continue to advocate for the WIM review to mandate the preparation of a status of loss and damage" global regular synthesizing information on LD already experienced, forecasted and associated costs, lessons learned and best practices, solutions, and policy advice on loss and damage. The informal note specifies that the report should "showcase experiences and promote understanding of integrating cross-cutting vulnerability and human rights analyses in averting, minimizing and addressing loss and damage in developing countries that are particularly vulnerable to the adverse effects of climate change." This is crucial to ensure the report provide a clear picture of the impacts of L&D on marginalised groups.
- 5.6. The WIM review should also recognize the importance of ensuring a human rights-based and gender-transformative approach across the work of the Warsaw International Mechanism, including the Santiago Network for Loss and Damage, and the Fund for responding to Loss and Damage. And it should request the Executive Committee of the Warsaw International Mechanism for Loss and Damage to develop guidelines on incorporating the perspective of frontline communities, human rights-based and gender-transformative criteria, analysis, and

- principles in the work of the Warsaw International Mechanism, including the Santiago Network for Loss and Damage, and the Fund for Responding to Loss and Damage
- 5.7. AGN should urge African states to submit views and recommendations on elements of guidance for the FRLD no later than 10 weeks prior to COP30, as decided at COP29.
- 5.7.1. It would be important that COP30 provide strong guidance to the FRLD particularly on:
  - a. The adequate capitalisation of the Fund. COP30 should provide guidance to the FRLD to ensure the Fund is resourced at scale with substantial resources to ensure that developing countries and communities on the frontlines of the crisis have access to the finance required to prevent further damages, address existing losses, and rebuild their futures. This should include innovative sources of finance based on the polluter pays principle, ensuring that the biggest and richest polluters pay for the climate damage they cause (through various taxes and mechanisms, including wealth taxes, redirecting producers' fossil fuels subsidies, excess profit taxes, etc.).
  - b. COP30 should also provide guidance to ensure that the L&D responses funded in the start-up phase and beyond are applying locally-led approaches, are human rightsconsistent and that funding is accessible for marginalised groups and communities at the frontline of the climate crisis.
  - c. COP30 should establish a permanent agenda item on loss and damage on the CMA agenda, to ensure L&D is elevated on the political agenda, foster coordination among different L&D bodies, and escalate the need for financing at scale.

**END**