UN Funds Insufficient for Climate Disasters: Oxfam

For Prelims: Oxfam International, Climate Finance, Conference of Parties

For Mains: Oxfam International's Report on Climate Finance

Why in News?

Recently, **Oxfam International** released a report, which says the **UN (United Nations)** requires **eight times more** Climate Finance **than 20 years** ago to be able to provide humanitarian aid to **Low-Income Countries** during Climate-Related Disasters (Droughts, Floods or Wildfires).

- The latest **Intergovernmental Panel on Climate Change (IPCC)'s sixth assessment reports** made it evident that more climate-related disasters are in the offing and therefore climate change will escalate the loss and damage suffered by these marginalized communities.

What is Oxfam International?

- Oxfam International is a group of independent non-governmental organisations formed in 1995.
- The name "Oxfam" comes from the Oxford Committee for Famine Relief, founded in Britain in 1942.
    - The group campaigned for food supplies to starving women and children in enemy-occupied Greece during the Second World War.
- It aims to maximize efficiency and achieve greater impact to reduce global poverty and injustice.
- The Oxfam International Secretariat is based in Nairobi, Kenya.

What are the Findings?

- In 2000-02, UN appealed for USD 1.6 billion as humanitarian aid. The appealed amount rose to an average of USD 15.5 billion in 2019-2021 — an unprecedented 819% increase.
- Rich countries have been able to **deliver 54% of the UN's appeals in the last five years,** leaving a massive deficit of USD 28-USD 33 billion.
- People in **low-income countries are most vulnerable** to the impacts of climate-related disasters, be it droughts, floods or wildfires, as these disasters further exacerbate poverty and death affecting them disproportionately.
- Besides the huge financial burden, **loss and damage due to climate crisis encompass health, biodiversity and loss of indigenous knowledge,** among gender issues and other related factors.
- For every USD 2 needed for the UN's humanitarian aid, rich donor countries provide USD 1.
- This is despite the fact that the **richest 1% people on Earth are emitting twice as much carbon pollution** as the poorest half of humanity.
- Afghanistan, Burkina Faso, Burundi, Chad, Democratic Republic of Congo, Haiti, Kenya, Niger,

Somalia, South Sudan, and Zimbabwe are among the ten countries most in need of **Climate Finance.**

- Richer people are less exposed to climate risks and better able to weather disasters. They live in more secure places and have more assets to draw on. Poorer people have less protection and therefore experience greater loss and damage, which accumulates over time.
- The economic cost of loss and damage by 2030 will rise to the range of USD 290-USD 580billiont.

What are the Recommendations?

- Paying the cost of climate-driven loss and damages should be on the basis of responsibility — not charity.
- Rich countries, rich people, and big corporations most responsible for causing climate change must pay for the harm they are causing.
- Need establishment of a facility to draw innovative sources of finance from rich countries, which was rejected by developed nations at the **26th Conference of Parties (CoP26)** to the United Nations Framework Convention on Climate Change in 2021.
- At CoP27, governments should agree to make loss and damage finance a core element of the United Nations Framework Convention on Climate Change (UNFCCC)'s Global Stock take.

What is Climate Finance?

- **About:**
    - Climate finance refers to **local, national or transnational financing**—drawn from public, private and alternative sources of financing—that seeks **to support mitigation and adaptation actions that will address** climate change.
    - Climate finance is needed for mitigation, because large-scale investments are required to significantly reduce emissions.
    - It is **equally important for adaptation, as significant financial resources are needed to adapt to the adverse effects** and reduce the impacts of a changing climate.
- **Principles of Climate Finance:**
    - **Polluter Pays:**
        - The 'polluters pays' principle is the **commonly accepted practice** according to which those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment.
        - This principle underpins most of the regulation of pollution affecting land, water and air **formally known as the 1992 Rio Declaration.**
        - It has also been applied more specifically to emissions of greenhouse gases which cause climate change.
    - **Common but Differentiated Responsibility and Respective Capability (CBDR–RC):**
        - CBDR–RC is a **principle within the** United Nations Framework Convention on Climate Change (UNFCCC).
        - It acknowledges the different capabilities and differing responsibilities of **individual countries in addressing climate change.**
    - **Additionality:**
        - Climate finance **should be additional to existing commitments to avoid the diversion** of funding for development needs to climate change actions.
        - This includes **use of public climate finance** and investments by the private sector.
    - **Adequacy & Precaution:**
        - In order to take **precautionary measures to prevent or minimise the causes of climate change** as a stated goal under UNFCCC, the level of funding needs to be sufficient to keep a global temperature within limits as possible.
        - A better level of **adequacy might be increased in the national estimates of the needed climate funds,** this will help build planned investments with respect to INDC (Intended Nationally y Determined Contribution).
    - **Predictability:**
        - Climate finance **must be predictable to ensure sustained flow** of climate finance.
        - It can be done through multi-year, medium-term funding cycles (3 – 5 years).

- This allows for **an adequate investment program** to scale up the country's national adaptation and mitigation priorities.

UPSC Civil Services Examination, Previous Year Questions(PYQ)

Q. Which of the following statements regarding ‘Green Climate Fund’ is/are correct? (2015)

1. It is intended to assist the developing countries in adaptation and mitigation practices to counter climate change.
2. It is founded under the aegis of UNEP, OECD, Asian Development Bank and World Bank.

Select the correct answer using the code given below:

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Ans: (a)

Exp:

- Green Climate Fund (GCF) was established to support the developing countries in their efforts to challenge climate change by aiding them in shifting to low-emission and climate-resilient development regime. Hence, statement 1 is correct.
- GCF is designed as an operating entity of the UNFCCC’s financial mechanism and is headquartered in Incheon, Republic of Korea.
- In 2010, the 194 member countries or Conference of Parties (COP) of the UNFCCC in its 16th session agreed to create a Green Climate Fund (GCF). Hence, statement 2 is not correct.
- The GCF aims to deliver equal amounts of funding for mitigation and adaptation, while being guided by the Convention’s principles and provisions.
- The GCF was given an important role in serving the Paris Agreement and supporting the goal of keeping climate change well below 2ºC. Therefore, option (a) is the correct answer.

Source: DTE