

SUBMISSION TO THE UNFCCC TASKFORCE

Setting Australia's post-2020 target for greenhouse gas emissions

April 2015

Prepared by Simon Bradshaw: simonbradshaw@oxfam.org.au



1	Introduction	2
	Summary of recommendations	3
2	Setting Australia's post-2020 emissions reduction targets:	
	Key factors that should inform the decision	4
	Step 1: The global carbon budget	4
	Step 2: Applying established effort-sharing principles	6
	Step 3: Consideration of additional factors	6
	Australia's national circumstances	6
	Co-benefits of strong action	7
	Scope of international action	7
	Benefits of early action	8
	Conclusion	8
3	Oxfam's recommendations for Australia's post-2020 domestic targets	9
4	Our dual responsibility: Cutting Australia's emissions and supporting efforts in developing countries	10
	Shifting from exporting coal to supporting sustainable, low-carbon development overseas	11
5	How should Australia achieve its targets?	12
	Box 1: Climate change impacts on development	2
	Box 2: Australia's national interest in helping keep the global average temperature rise to well under 2°C	5
	Box 3: UNFCCC effort-sharing principles	6
	Box 4: Australia's climate finance contributions	10

At time of lodgment, the core asks in
this submission had been endorsed by
6,474 Oxfam supporters
act.oxfam.org/australia/climateinaction

1 INTRODUCTION

Oxfam welcomes the opportunity to submit our recommendations to the review of Australia's emissions reduction targets.

As a leading international humanitarian and development agency working in many countries across Asia and the Pacific, Oxfam Australia is already seeing many communities hit hard by the increase in extreme weather events associated with climate change.

Supporting strong and equitable international action on climate change is a key priority for our agency and more broadly for the development sector. Climate change is major threat in the fight against poverty and hunger and is jeopardising hard-won development gains.¹ Oxfam has engaged closely with UN climate negotiations since 2007. We are currently involved in a number of climate change adaptation programs in the region². These programs include a range of initiatives designed to strengthen community resilience to climate change, from trialling new crops and agricultural techniques, to increasing communities' awareness of climate risks and strengthening their participation in policy and decision-making processes. Oxfam also takes an active role in national and international climate policy debates.

While climate change impacts us all, the impacts are being felt first and hardest among those who have contributed least to the problem, including our neighbours in the Pacific. The devastation wrought by Cyclone Pam across Vanuatu, Kiribati and Tuvalu was a forceful reminder of the consequences on inaction and must be recognized as the strongest possible call for progress towards a fair and ambitious international climate agreement that puts vulnerable people and nations first.³

BOX 1

Climate change impacts on development

ECONOMIC GROWTH

Analysis by the Asian Development Bank shows that annual economic losses in the Pacific as a result of climate change could range from 2.9% to as high as 12.7% of GDP by 2100.⁴

HUNGER

There could be 25 million more malnourished children under the age of five in 2050, compared to a world without climate change – that's equivalent of all the children under five in the US and Canada combined.⁵

GENDER

Women make up 43% of the agricultural workforce in developing countries and play a vital role in food production and preparation around the globe.⁶ As a result, the impact of climate change on food is felt particularly sharply by women.

¹ *Hot and Hungry: How to stop climate change derailing the fight against hunger* (Oxfam, 2014)

<https://www.oxfam.org/sites/www.oxfam.org/files/mb-hot-hungry-food-climate-change-250314-en.pdf>

² Oxfam is currently working with communities in Vietnam, Vanuatu, Timor-Leste and the Philippines on a range of climate change adaptation initiatives. Between 2012 and 2015 these programs were funded through the Government's Community-Based Climate Change Adaptation Grants scheme.

³ For background on the links between climate change and the destructive impacts of tropical cyclones, see:

Cyclone Pam: Untangling the complex science on tropical storms and climate change (The Carbon Brief, 2015)

<http://www.carbonbrief.org/blog/2015/03/cyclone-pam-untangling-the-complex-science-on-tropical-storms-and-climate-change/>

Damage from Cyclone Pam was exacerbated by climate change (The Climate Council, 2015)

<https://www.climatecouncil.org.au/damage-from-cyclone-pam-was-exacerbated-by-climate-change>

⁴ *The economics of climate change in the Pacific* (Asian Development Bank, 2013)

<http://www.adb.org/publications/economics-climate-change-pacific>

⁵ Derived from: *Climate change – Impacts on agriculture and costs of adaptation* (International Food Policy Research Institute, 2009)

<http://www.ifpri.org/sites/default/files/publications/pr21.pdf>

Data on under-five populations of USA and Canada from http://www.unicef.org/statistics/index_24183.html

⁶ *The role of women in agriculture* (Food and Agriculture Organization of the United Nations 2011) <http://www.fao.org/docrep/013/am307e/am307e00.pdf>

Furthermore, while climate change presents a major challenge to development, Oxfam asserts that strong and timely action presents opportunities for renewed prosperity, reducing inequality and stronger overall development outcomes. In short, tackling climate change and reducing poverty can and must go hand in hand.

Oxfam urges the Prime Minister's UNFCCC Taskforce to put forward a new commitment from Australia that accords with our responsibilities as a wealthy developed country and reflects the scale of the global challenge. Our submission to the Taskforce details the factors that Oxfam recognizes are important in determining Australia's post-2020 targets, our recommendation for targets, and the policies that will be necessary to achieve them.

Once again, Oxfam welcomes the opportunity to provide this submission and hopes to be of assistance to the Taskforce. For any queries on the content of this submission, please contact Oxfam Australia's Climate Change Advocacy Coordinator, Simon Bradshaw: simonbradshaw@oxfam.org.au 02 82014 3901.

SUMMARY OF RECOMMENDATIONS

- Australia's targets should be **science-based** and accord with a global carbon budget that provides a reasonable probability of **limiting warming to 1.5°C**.
- Australia's targets must be based on our **historical responsibility** for climate change, our **relative economic strength**, the **development needs of other countries**, and the **co-benefits of strong and early action**.
- The Government should **commit to reducing Australia's domestic emissions by at least 40% below 2000 levels by 2025 and at least 60% by 2030**.
- The Government should further **commit to achieving net zero emissions as soon as possible and well before mid century**.
- The shift to a zero-carbon, renewable-energy based economy should include a **concrete plan for the phase-out of coal from Australia's energy mix and a managed and equitable transition towards 100% renewable energy**.
- In addition to the domestic mitigation targets outlined above, Australia will need to meet a substantial part of its contribution to the global mitigation effort through supporting low-carbon development overseas. To achieve this, the Government should develop a **strategy for scaling-up its overall contribution to reach a fair share of the international goal to provide \$100bn in climate finance a year by 2020**. Australia must **be part of an effective post-2020 climate finance regime** that sees adequate support from both the public and private sector flow to developing countries to support climate change adaptation and low-carbon development.
- Australia will need **additional policies** and measures to remain within a fair carbon budget and deliver its fair share of the global mitigation effort. These include an **economy-wide price on carbon, greater support to renewable energy** including a more ambitious Renewable Energy Target, **additional efforts to increase energy efficiency**, and **strengthened programs targeting the land, transport and industrial sectors**.

2 SETTING AUSTRALIA'S POST-2020 EMISSIONS REDUCTION TARGETS: KEY FACTORS THAT SHOULD INFORM THE DECISION

Oxfam recognizes that determining Australia's fair share of the global mitigation effort is an imprecise exercise and that there are a number of factors that must be considered. However, we assert that any deliberation must begin with recognition of the scale of the global challenge and a reasonable application of established effort-sharing principles, including our relative responsibility for the problem and capacity to help fix it. This provides us with a rough sense of what Australia should be committing to, which can then be refined through consideration of additional factors including Australia's particular national circumstances, the co-benefits of action, and some comparison with other countries' commitments.

Step 1: The global carbon budget

The process for setting Australia's post-2020 emissions reduction targets must begin with the science and an understanding of the total tolerable amount of global carbon pollution beyond which the risks are unacceptable. At a minimum, the Government must ensure Australia's targets are commensurate with the internationally agreed goal to limit warming to 2°C.⁷ Oxfam urges that the Taskforce also give due attention to renewed calls from vulnerable countries, including many of Australia's neighbours, for a goal of limiting warming to 1.5°C.⁸ There is growing recognition that warming beyond 1.5°C will push many communities beyond their ability to adapt.⁹ We note with great concern that the issues paper for this consultation, along with the recent Energy White Paper, centres on a scenario that would witness at least 3.6°C of warming and assumes no countries will take further action for the next 25 years.¹⁰

To provide a greater than 66% chance of limiting warming to 2°C (below the 1850-1900 average), total cumulative emissions between 2012 and 2100 cannot exceed 1,010Gt CO₂.¹¹ If we're to keep alive the possibility of limiting warming to 1.5°C, then we need to set a smaller budget. Oxfam proposes 780GtCO₂.¹²

⁷ The goal of keeping the global average temperature rise to below 2°C is enshrined in many decisions and agreements to which Australia is party. See, for examples the Cancun Agreements: http://unfccc.int/key_steps/cancun_agreements/items/6132.php

⁸ See, for example, the recent statement from the Philippines on behalf of the Climate Vulnerable Forum: <http://www.thecvf.org/forum-chair-statement-on-vanuatu-and-cyclone-pam/>

⁹ See, for example:

1.5°C or 2°C: A conduit's view from the science-policy interface at COP20 in Lima (Petra Tschakert, 2015)

<http://www.climatechangeresponses.com/content/2/1/3>

Adequacy and feasibility of the 1.5°C long-term global limit (Climate Analytics and Climate Action Network Europe, 2013)

<http://climateanalytics.org/publications/2013/adequacy-and-feasibility-of-the-1-5c-long-term-global-limit>

Science aspects of the 2°C and 1.5°C global goals in the Cancun Agreements (Bill Hare, Michiel Schaeffer, Marcia Rocha, 2011)

<https://ldclimate.files.wordpress.com/2012/05/warming-level-science-overview-for-ldc-group-20111130.pdf>

¹⁰ The claim in the issues paper that "by 2040, it is estimated that 74 per cent [of the world's primary energy needs] will still be met by carbon-based sources because of growing demand in emerging economies" is based on the International Energy Agency (IEA) New Policies scenario, which assumes only existing policies and proposals are implemented. This assumes that no countries will take any further action for the next 25 years. The IEA admits this scenario would witness warming of at least 3.6 degrees (World Energy Outlook 2014).

Post-2020 target: The most important test of climate credibility in a decade (The Climate Institute, 2015)

<http://www.climateinstitute.org.au/articles/media-releases/post-2020-target-the-most-important-test-of-climate-credibility-in-a-decade.html/section/397>

¹¹ *Fifth Assessment Report, Working Group I: The Physical Science Basis* (Intergovernmental Panel on Climate Change, 2013)

<http://www.climatechange2013.org/>

¹² *Three salient global mitigation pathways, assessed in light of the IPCC carbon budgets* (Stockholm Environment Institute, 2013)

http://sei-us.org/Publications_PDF/SEI-DB-2013-Climate-risk-emission-reduction-pathways.pdf

BOX 2

Australia’s national interest in helping keep the global average temperature rise to well under 2°C

The current level of warming - just under 1°C - already poses severe challenges. For Australia this includes increased bushfire risk and an increase in extreme hot weather.¹³ For our neighbours, climate change is, among other things, increasing the destructive impacts of tropical cyclones.¹⁴ Meanwhile, changing growing seasons are harming food security, and homes and livelihoods are being lost to rising seas and coastal erosion.

While the stresses from the current level of warming are already severe, the impacts associated with warming above 2°C are likely to be devastating, pushing many countries including Australia beyond their ability to adapt. The table below summarises the likely impacts for Australia associated with 2°C and 4°C warming respectively. Australia is widely recognized as one of the most vulnerable developed nations to climate change.¹⁵ The inescapable conclusion is that Australia has an overwhelming national interest in helping limit warming to well below 2°C. The best way for Australia to help achieve this goal is to make an ambitious commitment that represents a defensible share of the remaining global carbon budget (see p. 4).

	<i>Natural systems</i>	Water	Coastal	Agriculture	Health	Infrastructure	International security
2°C world	Significant loss of species. Adaptive capacity exceeded	Significant water shortages. Significant adaptation required to ensure that reliable supplies are maintained in major cities. Natural coping capacity exceeded	Loss of some coast developments due to coastal erosion and storm surges (in absence of sea walls)	Reduced production	Increased extreme events such as heatwaves and bushfires. Changes may be within the coping capacity of public health services with additional expenditures	Coping capacity possibly adequate (with very significant investment)	Increased demand for humanitarian aid and disaster response. Tens of millions threatened by coastal flooding
4°C world (assumed by the energy scenario cited in the issues paper)	Massive loss of species (e.g. complete loss of coral reefs, wet tropics and alpine ecosystems)	Dangerous water shortages (up to 5 times more frequent droughts in south and west). Adaptive capacity exceeded	Massive consequences for coastlines (e.g. 250,000 properties at risk with \$63bn replacement value), deglaciation of Greenland and long-term commitment to multi-metre sea level rise	Large areas of land abandoned, ability to meet Australian food demand stretched. Adaptive capacity in serious doubt	Major risks to human life (e.g. thousands of additional health deaths annually). Adaptive capacity in serious doubt	Serious exposure to impacts. Adaptive capacity in serious doubt	Trade and monetary systems disrupted, impeding development. Increased aid needed as social order breaks down in some regions. Hundreds of millions threatened by coastal flooding (many in Asia Pacific)

This table has been reproduced from a recent briefing from the Climate Institute:
Why avoiding 2 degrees of global warming matters for Australians (April 2015)
http://climateinstitute.org.au/verve/resources/TCI_Why_2C_matters_Factsheet_Final.pdf
Original sources:
 G. Pearman (2008), *Climate Change Risk in Australia Under Alternative Emissions Futures*, Report prepared by Graeme Pearman Consulting Pty Ltd for the Australian Government, Treasury, Canberra.
 P. Christoff (eds) (2014), *Four degrees of global warming: Australia in a hot world*, Routledge, New York.

¹³ See, for example: *Be prepared – Climate change and the Australian bushfire threat* (The Climate Council, 2013)

<http://www.climatecouncil.org.au/uploads/c597d19c0ab18366cfbf7b9f6235ef7c.pdf>

¹⁴ Concurrent with the likely increase maximum wind speed and rainfall associated with tropical cyclones (IPCC, 2013), storm surges and coastal flooding from tropical cyclones are being exacerbated by sea level rise and damage to coastal reefs associated with climate change.

¹⁵ In 2008 Professor Ross Garnaut concluded that Australia has an “exceptional sensitivity to climate change”, due among other things to our large and climate-sensitive agricultural sector, increases in the frequency and severity of extreme weather events, and the exposure of many populated areas to sea-level rise. *Garnaut Climate Change Review* (2008) <http://www.garnautreview.org.au/2008-review.html>

Step 2: Applying established effort-sharing principles

The Paris climate agreement is being negotiated under the UN Framework Convention on Climate Change. The Convention establishes a number of ‘equity principles’, thereby giving important guidance on each country’s relative share of the global effort. In addition to the global carbon budget (see above), these established equity principles should be the main determinant of Australia’s commitment.

BOX 3

UNFCCC effort-sharing principles

RESPONSIBILITY and CAPABILITY

Article 3.1: “The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their **common by differentiated responsibilities and capabilities.**” (emphasis added)

RIGHT TO SUSTAINABLE DEVELOPMENT

Article 3.4: “The Parties have a right to, and should, promote sustainable development.”

Upholding the right to sustainable development means acknowledging that countries are at different levels of development and recognizing each country’s *development needs*. In practice this means that developed countries must make deeper and faster emissions cuts, in order that poorer countries can reach a reasonable standard of development while the world at large remains within its carbon budget. In other words, it is unreasonable to expect poorer countries’ emissions to peak and decline as rapidly as those of wealthy developed countries.

Oxfam recognizes that applying these principles involves a degree of interpretation. Nonetheless, a reasonable sense of countries’ relative responsibility for climate change, their capability to act, and their development needs, can be built up from standard metrics and indicators. For example, a country’s relative responsibility for climate change is a function of its cumulative emissions to date. A country’s relative capability can be derived from its GNI, with steps taken to exclude the income of anyone living below a ‘development threshold’. Other metrics, including a country’s level of inequality and rating on the Human Development Index, may also be considered.

There are of course further questions to be considered and on which opinions may vary, such as an appropriate start date for counting cumulative emission. Nonetheless, while results will differ slightly depending on our answers to such questions and the weight given to particular principles and metrics, we can nonetheless gain a good preliminary sense of Australia’s overall obligation relative to other countries.¹⁶

Step 3: Consideration of additional factors

Australia’s national circumstances

Oxfam acknowledges that emissions-intensive sectors including the minerals industry currently contribute significantly to the Australian economy. Further that coal accounts for nearly 60% of our

¹⁶ The Climate Equity Reference Calculator developed by Stockholm Environment Institute and EcoEquity allows us to methodically estimate each country’s overall share of the global mitigation task by applying the UNFCCC’s effort-sharing principles, and to adjust a number of parameters including the start date for cumulative emissions, a development threshold, and the level of overall ambition (the global mitigation pathway). <http://www.gdrights.org/calculator/>
See also: *National Fair Shares: The mitigation gap – domestic action and international support* (Stockholm Environment and EcoEquity, 2014) <http://www.ecoequity.org/wp-content/uploads/2014/11/National-fair-shares.pdf>

total primary energy supply. However, contrary to the arguments presented in the issues paper, we assert that these circumstances justify stronger commitments relative to other OECD countries, not weaker ones.

Australia's current reliance on fossil fuels, coupled with largely untapped potential for renewable energy, means we have greater opportunities for low-cost emissions abatement and transforming our energy sector than other countries. Our targets should reflect this advantage. Oxfam notes recent research by the Australian National University which reports that "Australia has among the best prerequisites in the world for moving to a fully renewable electricity supply" and that "Australia's potential for renewable energy generation has been estimated at 500 times greater than its current power generation supply."¹⁷

Co-benefits of strong action

While recognizing that there are short-term costs associated with transitioning to a renewable-energy based economy, Oxfam urges the Taskforce to consider the long-term co-benefits of early action, including the creation of new jobs and improved public health. Co-benefits are a key driver of climate action in many countries, notably China, including the switch away from coal.¹⁸

Scope of international action

Among recent policy announcements from other countries, we wish to draw particular attention to the pledge by the UK's three major political parties to avoid 2°C by keeping to stringent carbon budgets and phasing out traditional coal power.¹⁹

We further note that while post-2020 targets from major emitters are not yet commensurate with the 2°C goal, in most cases they represent a substantial increase in ambition over pre-2020 commitments. For example, the US target of reducing emissions by 26-28% below 2005 will require it to nearly double its rate of emissions reductions compared to rate required to achieve its 2020 target of 17% below 2005 levels.²⁰

Oxfam recognizes that scope and nature of other countries' commitments will be one factor in determining Australia's new targets. However, we note that of those countries who have already submitted INDCs, most have been rightly criticised for falling short of a fair contribution. Further, A recent study by the New Climate Institute supported by Climate Action Network revealed how the US, China and European Union could unlock additional benefits in terms of jobs and health by increasing their targets.²¹

¹⁷ *Australia can cut emissions deeply and at low cost* (Centre for Climate Economics and Policy, Crawford School of Public Policy, Australian National University, 2015; Commissioned by WWF)

<http://www.wwf.org.au/?13220/Media-release-for-Emissions-report>

Peter Christoff, writing in *The Conversation* echoes this point:

"Australia, despite present budgetary pressures, can afford to make this effort more easily than many of its economic partners, which are nevertheless opting for high targets."

<http://theconversation.com/climate-change-authority-calls-for-30-emissions-cut-by-2025-40554>

¹⁸ *Australia can cut emissions deeply and at low cost* (Centre for Climate Economics and Policy, Crawford School of Public Policy, Australian National University 2015; Commissioned by WWF)

<http://www.wwf.org.au/?13220/Media-release-for-Emissions-report>

¹⁹ *British leaders pledge climate change push, curb on coal plants* (Sydney Morning Herald, 14 February 2015)

<http://www.smh.com.au/environment/climate-change/british-leaders-pledge-climate-change-push-curb-on-coal-plants-20150214-13erbm.html>

²⁰ *April international policy updates and implications for Australia* (The Climate Institute, 2 April 2015)

http://www.climateinstitute.org.au/verve/resources/TCI_Global_Climate_Update_April_Final.pdf

²¹ *Assessing the missed benefits of countries' national contributions* (New Climate Institute, 2015)

<http://newclimate.org/2015/03/27/indc-cobenefits/>

Overall, for Australia to play a strong and constructive role in international climate efforts, it should be looking to exceed the contributions from other major emitters, not be constrained by them.

Benefits of early action

While opinions may differ regarding nearer-term targets and the precise trajectory that Australia needs to follow, the bottom line is that keeping warming below 2°C – let alone the 1.5°C that many countries rightly demand – will require all developed countries to achieve net zero emissions as soon as possible and well before mid century.

While recognizing there are initial costs associated with strong climate action and reshaping our energy system, numerous studies have highlighted the long-term economic benefits of strong early action and the far more costly and disruptive transitions that await those countries which are slower to act.

Conclusion

Australia will be expected to demonstrate how its contribution to the Paris agreement is fair, in accordance with established equity principles and the scale of the global challenge.

After taking account of Australia's historical emissions, capability for action, the development needs of other countries, and our national circumstances, Oxfam asserts that Australia should be responsible for 2.4% of the global greenhouse gas mitigation task - i.e. the total mitigation below a global baseline necessary to keep the global temperature rise below 1.5°C. This total 'effort' from Australia is an aggregate of our domestic emissions reductions and the mitigation we support in developing countries through climate finance, technology transfer, private sector initiatives and other channels. In section 2, below, we outline our recommendation for Australia's domestic targets. In section 3 we discuss Australia's contribution to supporting mitigation overseas.

3 OXFAM'S RECOMMENDATIONS FOR AUSTRALIA'S POST-2020 DOMESTIC TARGETS

Australia's Intended Nationally Determined Contribution (INDC) to the Paris agreement should signal an ambitious long-term commitment from Australia. As part of its INDC, Australia should commit to achieving net zero emissions as soon as possible and well before mid century. The shift to a zero-carbon, renewable-energy based economy should include a concrete plan for the phase-out of coal from Australia's energy mix and a managed and equitable transition towards 100% renewable energy.

Oxfam recommends that Australia includes interim targets for both 2025 and 2030. We are advocating for a 5-year commitment period under the new agreement in order to enable a rapid increase in collective ambition. However, we recognize it is also important for countries to give a longer-term indication of their commitment and trajectory.

Oxfam does not have a strong view about an appropriate base year for Australia and asserts that the overall ambition and transparency of our targets is a far greater priority. However, we see advantages in maintaining the 2000 base year in order to facilitate comparison with Australia's existing commitments.

On this basis, and in accordance with the considerations we outlined in the previous section for determining Australia's targets, **we recommend that the Government commit to reduce Australia's *domestic* emissions by at least 40% below 2000 levels by 2025 and at least 60% by 2030.**

4 OUR DUAL RESPONSIBILITY: CUTTING AUSTRALIA'S EMISSIONS AND SUPPORTING EFFORTS IN DEVELOPING COUNTRIES

Oxfam recognizes that international climate finance – i.e. support to poorer countries to adapt to climate impacts and implement low-carbon development strategies – remains central to negotiations on a new global climate agreement.

Oxfam welcomed Australia's contribution to the Green Climate Fund,²² though recognizes that this should only be considered as one component of Australia's contribution to international climate finance. As a next step, Australia must have a transparent strategy for scaling-up its overall contribution to reach a fair share of the international goal to provide \$100bn a year by 2020. This will need to include national budget contributions that are in addition to existing aid commitments, supporting the development of new sources of finance, and principles for private investment.

Like all wealthy developed countries, Australia will need to meet a substantial part of its overall contribution to global mitigation effort through supporting low-carbon development overseas. Australia must be part of an effective post-2020 climate finance regime that sees adequate support from both the public and private sector flow to developing countries to support climate change adaptation and low-carbon development, in particular renewable energy and reduced dependence on fossil fuels.

BOX 4

Australia's climate finance contributions

Australia has made important investments in climate change adaptation in the region. These programs are a core part of our contribution to tackling global climate change and it is vital that they continue. Examples of strong and effective Australian-funded programs include:

Vanuatu. \$2m between 2012 and 2015 to support community-based climate change adaptation through the Vanuatu NGO Climate Change Adaptation Program. The program has enabled communities, governments and NGOs to work together in building community resilience to climate change, including initiatives to boost food security, and strengthening Vanuatu's voice in international climate negotiations.

Timor Leste. Funded by the Australian Government (\$2.1m), CARE Australia has worked with local partners since 2012 to help communities to adapt to the climate challenges of both today and tomorrow. The project has achieved several important goals, including improved access to water, new agricultural practices leading to more resilient crops, reduced risk of landslides through reforestation, improved food and income security, and steps to ensure that women are full participants in developing adaptation strategies.

Philippines. \$2.2m between 2012 and 2015 to support the project *Building Resilient Communities and Institutions in Mindanao*, which has helped thousands of households understand the impacts of climate change on their lives and livelihoods and contribute to the design and implementation of risk reduction strategies. Oxfam's assessment of the response to Cyclone Haiyan revealed that preparations and early warning saved many lives.²³

²² While welcoming Australia's contribution to the Green Climate Fund, Oxfam also registered its strong concern that this contribution will be drawn from a diminished aid budget and does not therefore meet the need for climate finance to be additional to existing aid commitments. We further noted that the contribution fell short of a fair share from Australia towards the initial capitalization goal, which would have amounted to approximately \$400m over three years.

Oxfam welcomes beginning of Australia's commitment to tackle climate change, but still a long way to go (Oxfam, 10 December 2014)

<https://www.oxfam.org.au/media/2014/12/oxfam-welcomes-beginning-of-australias-commitment-to-tackle-climate-change-but-still-a-long-way-to-go/>

Talking dollars and cents: Big questions about the Green Climate Fund (Oxfam, 18 June 2014)

<http://politicsofpoverty.oxfamamerica.org/2014/06/talking-dollars-cents-big-questions-green-climate-fund/>

²³ *Typhoon Haiyan – The response to far and vital lessons for the Philippines recovery* (Oxfam 2013)

<https://www.oxfam.org/sites/www.oxfam.org/files/bn-typhoon-haiyan-philippines-response-071213-en.pdf>

Shifting from exporting coal to supporting sustainable, low-carbon development overseas

Multiple recent studies find that 90% of Australia's known coal reserves will need to be left in the ground for Australia to play its part in limiting warming to no more than 2°C.²⁴

Oxfam has been greatly concerned by the current debate over the role of coal in reducing poverty and raising standards of living in developing countries. Even suspending the fact that climate change is a major threat in the fight against poverty and is hitting poorer communities the hardest, the argument for coal is deeply flawed. Our experience as an international development agency is that renewable energy offers more practical and affordable solutions.²⁵ Among the hundreds of millions of people across sub-Saharan Africa and Asia who still live without electricity, an overwhelming majority live in rural and remote locations and beyond the reach of the electricity grid. Coal power can do little towards improving energy access unless accompanied by massive investment in grid extensions. On the other hand, tapping into local renewable energy sources means access to clean, safe and affordable energy, and is bringing jobs and development to communities. These advantages of renewable energy will increase further as costs continue to plummet, and as the full costs of coal – including air pollution, health impacts and, at worst, displacement of communities – are increasingly recognized.

While the long-term benefits for both people and planet are clear, renewable energy can still present challenges when it comes to up-front costs. Developed countries including Australia are obliged to help meet these costs on account of our historical responsibility for climate change and our relative wealth. In addition to transforming our own energy sector, a key part of contribution to the global climate challenge lies in shifting our focus from exporting coal and towards supporting sustainable, low-carbon development in developing countries.

In submitting its INDC, Australia should outline what actions it intends to take to support to poorer countries to adapt to climate impacts and implement low-carbon development strategies, including provision of climate finance.

²⁴ See, for example: *Unburnable carbon – Why we need to leave fossil fuels in the ground* (The Climate Council, 2015) <http://www.climatecouncil.org.au/unburnable-carbon-why-we-need-to-leave-fossil-fuels-in-the-ground>

²⁵ *Powering up against poverty – coal fired power is not the solution* (Oxfam, 23 January 2015) <https://www.oxfam.org.au/2015/01/powering-up-against-poverty-coal-fired-power-is-not-the-solution/>

5 HOW SHOULD AUSTRALIA ACHIEVE ITS TARGETS?

Achieving a fair contribution to international climate change efforts will require major structural adjustments to the Australian economy, including the rapid transformation of our energy system.

Oxfam recognizes that an attempt to achieve through Direct Action the scale of emissions cuts that will be rightly expected of Australia post-2020 would be extraordinarily costly and place a tremendous burden on public funds, and that additional policies will be required. Oxfam maintains that an **economy-wide price on carbon will be vital in driving the transition to a zero-carbon Australia**, and that support to renewable energy, including the Renewable Energy Target will need to be scaled up. Additional efforts to increase energy efficiency, along with strengthened programs targeting the land, transport and industrial sectors will also be required. Importantly, Australia must have a plan that ensures a managed phase-out of coal and polluting energy sources and equitable transition to a zero-carbon future.