

A Global Agreement on Climate Change – Key Issues and a Possible Position for Africa

1. **The twin challenges of climate change for Africa are development in a more hostile climate and the creation of low-carbon growth: action on climate change and on development cannot be separated.** Current ODA commitments to support the achievement of development goals did not take the likely scale of impacts of climate change into account. With the need to adapt to a changing climate, development will be much more costly. Low-carbon growth is the only sustainable option, both for the world and for Africa. High-carbon growth will choke itself, first on hydrocarbon prices and second, and more fundamentally, on the hostile physical environment it will create. Low-carbon growth will be more energy secure, cleaner, quieter, safer and more bio-diverse and will draw on Africa's renewable resources. But it does require substantial investment in the next few decades.
2. **The cost of climate change to Africa could amount to around \$30 billion per year in 2015. It is crucial that rich countries not only honour their existing commitments but also find the extra resources necessary to cope with the climate change in the next two decades, which arises mainly from their past emissions.** This figure includes around \$20 billion per year for adaptation and \$10 billion per year for the transition to a low carbon economy (mitigation).
3. **In the 2020s, the additional costs for adaptation together with the mitigation costs for Africa could rise to between \$50–100 billion per year.** Adaptation costs are likely to rise rapidly as the climate changes over the next two decades. Many populations will suffer severe stress from more frequent and more severe floods, droughts and storms as well radical changes in patterns of rainfall.
4. **Carbon markets must be reformed to include opportunities relevant to Africa, particularly opportunities in forestry. But halting deforestation will require major development support, including for agricultural productivity and governance, beyond that from carbon markets.** Over 60% of Africa's mitigation potential lies in forestry. Thus it is crucial for Africa both that development support for halting deforestation is expanded and that Reducing Emissions from Deforestation and Degradation (REDD) are included in carbon markets as part of the Copenhagen agreement.
5. **The main sources of new public funding for climate change should be (i) national carbon taxes, (ii) national permit auction revenues, (iii) international auction revenues, as in the Norwegian proposal, (iv) international transport levies, (v) general rich country government revenues: all are relevant and a mix would be more stable than just one.** There should be three types of funding: for adaptation, from public revenues; for mitigation, from public revenues; and from carbon markets, largely from private revenues. All three sources should be blended with development funding in as simple a way as possible: both stability of funding and linking to results will be important.
6. **The institutional architecture from a global deal should promote equity, efficiency and mutual trust.** The administration of funds should be simple and efficient; limiting the number of new institutions and using existing development channels where possible to support adaptation to climate change and the transition to a low-carbon economy, in way that is well-integrated into development programmes and with governance embodying full African representation. The African Development Bank, with the support of other multi-lateral and bi-lateral institutions should play a leading role in administering the funds so that funding for adaptation and development are fully integrated and fit with Africa's needs. At the national level, ensuring efficient and transparent national and local institutions will help build mutual trust and increase the effectiveness of mitigation and adaptation activities.

Supporting analysis can be found in three accompanying papers, 'Possibilities for Africa in Global Action on Climate Change'.