

Daphne Wysham
Institute for Policy Studies

1. Alternatives to the World Bank for climate change adaptation and mitigation finance are desperately needed. G77 have stated they do NOT want the Bank to handle these funds. These funds will run anywhere from \$50b-400b/year.
2. Alternatives to carbon markets for adaptation and mitigation funding is also desperately needed because a) carbon markets are fatally flawed--providing profits to the polluters, not the poorest, while delaying a rapid transition to a clean energy economy; b) they will never provide the finance needed fast enough to address the climate crisis, according to a variety of UN studies and other expert opinions.
3. We need new banks and new models to address the climate crisis.
4. New banks: We are proposing that all climate adaptation and mitigation funds be under the control of the UN's Conference of the Parties, with a governing board that is dominated by developing country governments. However, there is nothing to suggest that such a bank could not be regional--such as the Bank of the South--in its focus and in its mandate.
5. New models of revenue generation we are proposing include:
 - a) a carbon debit mechanism. Although we are not supporting carbon markets, if they are to exist, we feel this is one way of ensuring that continued investment by Northern governments via public financial institutions in fossil fuels is essentially taxed, with the revenue going to a clean energy and adaptation fund for developing countries.
 - b) Another source of funds to address climate change adaptation and mitigation could come from a securities transaction tax. A modest financial transactions tax on the buying and selling of stock and other financial products-- penny on every \$4 invested-- would generate \$100 billion a year. Other European countries already tax stock transactions, and these transaction taxes effectively discourage speculation. See: www.ips-dc.org/getfile.php?id=341
 - c) A Nigerian/Liberian proposal for a tax on bunker fuels—with revenue reverting to developing countries--seems to have the support of the international community and could generate \$10 billion/year for adaptation, REDD and other finance. http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/awglcafinancenigeria051109.pdf.

My own reading of this is that this is a major breakthrough in that this means the COP is a) asserting that any revenue generated on emissions outside of national boundaries belongs to humanity and therefore b) a tax on aviation fuels is to follow and c) because it differentiates between all maritime bunkers being taxed while the revenue is channeled to developing countries, it suggests that other taxes could be similarly structured and d) suggests that a fund-based approach to revenue generation (more in line with the proposal tabled by the Brazilians in 1997 for a "Clean Development Fund" rather than the CDM) may be the wave of the future.

6. New models of engagement: Indigenous peoples and women must have a major role in the design, implementation and oversight of these funds. Women are energy managers in every developing country, yet their energy needs are routinely ignored--because their labor and the natural resources they gather are "free." By not accounting for these costs, women and their children pay a high price. Similarly, Indigenous Peoples are natural allies in forest protection in many countries globally. Ensuring they are empowered in this role, although it is now similarly unrecognized --because it is provided for free--will be critical in moving forward. This includes recognizing land rights for IPs and women.

Microlending and microgrants targeted at these groups of people may be the best way of ensuring widespread dissemination of both renewable energy resources and preservation of forest preserves.

Many thanks for providing me the opportunity to comment.

Daphne Wysham