COP28 concludes with an incomplete climate finance package to advance towards a just transition.
The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates, from November 30 to December 12, has concluded with some important agreements, but still insufficient to achieve a just transition.

During COP28, more than 100 civil society organisations demanded ten concrete actions to be approved on climate finance in order to move towards a Just Transition, and here we highlight how far these agreements were achieved, which we include in more detail in Annex I.

Progress

Some of the decisions approved at COP28 that represent a breakthrough in the discussion are the operationalisation of the Loss and Damage Fund that happened on the first day of the Conference, followed by a series of financial commitments for more than 700 million dollars, however, it is still unclear what the additionality and predictability of these resources are. Another important issue was the mandate to continue a dialogue to further generate a better understanding of what it means to "make finance flows consistent" with low-carbon and climate-resilient development, which is established in article 2.1.c., what is important is that it is recognised in the text of the global stocktake that this is complementary to the commitments of developed countries to transfer finance to developing countries.

A central issue in 2024 will be the definition of a new collective quantified finance goal. During COP28, some procedural aspects were determined, such as holding technical dialogues hand in hand with a framework that allows for the elaboration of negotiating texts prior to COP29 when they will be adopted. The outstanding issue that remains from this conversation are substantive aspects, such as ensuring that the new goal not only takes into account mitigation, adaptation, but also loss and damage.

One aspect that also represents progress is the mention of the necessary reform of the international financial sector, however, it does not establish objectives that can then be translated into a more comprehensive plan of action in this regard.

Setbacks

The text of the global stocktake already talks about the importance of transitioning away from fossil fuels, and while it does talk about ending fossil fuel subsidies, and not just reducing them, it does not set a time-bound target to achieve it. This represents not only a limited decision, but also fails to advance the decarbonisation agenda.

Aspects were identified that were not achieved at COP28 and that also call into question the success of the meeting, such as the failure to meet the $100 billion annual goal from developed countries to developing countries, as well as the failure to reach an agreement on scaling up adaptation finance. While the global stocktake text acknowledges the financing gaps, it does not talk about going beyond doubling the finance, given that at least a tenfold increase is required to achieve a balance.

While there is talk of financial sector reform and the importance of more grants in the face of developing nations’ indebtedness, there was no mention of the importance of debt cancellation and/or other innovative schemes such as swaps to expand the fiscal space. There was also no
mention of the importance of fiscal policies in this context, and what a new fiscal pact could mean for developing countries, although this is an issue that can be raised in other sessions.

Various experts have expressed their opinions on these outcomes:

Adrián Martínez, La Ruta del Clima Director, points out that: "COP28 made very evident the effort of the Global North to avoid economic responsibilities and that of the oil-producing countries to maintain a profit-making scheme. This incoherence between the parties violates human rights and hinders climate action. In the midst of an existential crisis, climate change exposes the selfishness that has delayed the achievement of climate goals for the past 30 years. The challenge for Latin America is the same: to unite to ensure a future in the face of the climate threat that is destroying our territories".

Laura Sabogal, Senior Policy Advisor at E3G's, states that, despite being "cautiously optimistic", she recognises that the financing gap remains significant, especially in adaptation. However, the COP is opening doors to build key moments in other forums, such as the World Bank meetings, marking notable advances, such as the call for the capitalisation of multilateral banks. The discussion on debt, despite its absence in previous processes, has been mentioned, providing an opportunity to address the debt crisis. "It is encouraging to see a shift towards sustainable sources of public finance, such as taxes. Although much work remains to be done, COP28 offers us opportunities and visibility to address the complexities of finance in the struggle against climate change," she adds.

Osver Polo, from MOCCIC, mentions that the text of the global stocktake is not beneficial for tackling the climate crisis, because it is customised to the petrostates and corporations that encourage false solutions, and that Latin American countries were not up to the task jointly, although we applaud the efforts of Colombia, which proved to be the leading country in promoting the elimination of fossil fuels. In terms of financing, he noted that there are many announcements, but it remains to be seen how all of them will be accomplished.

Sergio Chaparro, International Policy and Advocacy Lead of the Tax Justice Network states that financing is what defines the real scope of what was agreed at COP28, and in this sense the balance is not satisfactory, particularly in relation to adaptation. "It is the resources for climate action that will make it possible to go beyond the speeches. If the world wants to move towards meeting the Paris goals, it is necessary to move towards a global fiscal pact that allows countries, particularly low-income countries, to mobilise resources to finance the climate agenda and low-carbon development strategies that reduce inequalities". He also states that, in the discussion on a United Nations Tax Convention, for example, the possibility of recovering 4.8 trillion dollars lost as a result of tax abuses is at stake, which would be key for climate action and which cannot continue to be disconnected from what is decided at the COP.

Emilio Spataro, Senior Biodiversity Policy Advisor at Avaaz, notes that in general terms the assessment is slightly more positive than negative, considering the unfavourable context in which the process found itself with many ups and downs and interests opposed to the reduction of fossil fuels in an oil-producing country - referring to the United Arab Emirates. Despite this, progress was made, such as the mention of methane, the creation of the Loss and Damage Fund and the inclusion of a zero-deforestation goal. However, he criticised the lack of strong language, weak wording and the lack of clarity on issues such as country budgets and the need for a non-debt-based approach.
He adds that the loss of the language of common but differentiated responsibilities, the ambiguity on the phase-out of fossil fuels by 2050 and the inclusion of questionable technologies such as carbon capture and sequestration and nuclear energy are regressive. The lack of progress on article 6, the limited attention to indigenous peoples’ rights and the limited discussion on financing were noted as negative points. In summary, he perceived the text as weak in comparison to the substance and ambition needed to address the climate crisis, although a certain level of acceptability is acknowledged given the complexity of the previous process.

He also notes as positive the inclusion of the Zero Deforestation by 2030 target and the language on the importance of ecosystem restoration and the mention of the new Kunming-Montreal Global Biodiversity Framework.

Vicente Silva, Latin America representative of the Global Initiative for Economic, Social and Cultural Rights (GI-ESCR), noted that while some progress was made on climate finance at COP28, the focus on progressive and green taxation was absent from the negotiations. The discussion on the central role that tax reform can play in financing a just transition has yet to gain the traction it needs. Global leaders missed the opportunity to lead a green fiscal pact that funds universal public services and achieves greater degrees of equality.

This is because the main responsibility for the climate crisis must fall on those who have contributed the most to aggravating it: the economic elites, the wealthy and polluting corporations. It is they who must bear the fiscal burden of the transition as a matter of priority. "We can no longer continue to delay reforming an international tax system that heavily taxes carbon emissions and activates resources for a new socio-environmental model. Climate justice and intergenerational equity demand bold measures that reconcile material well-being and the protection of the planet, and fiscal policy is a fundamental tool in this challenge, and must be given greater attention in the upcoming climate negotiations," he affirms.

Diego De la Merced - CEO and Director of Sustainable Projects at Strategic Sustainable Solutions (SESSA) says that "we will continue to see, read and hear more about greenwashing after COP28, because of the lack of real and logical commitments for the benefit of the planet and living beings. Furthermore, climate finance must come from a portion of countries’ GDP. To achieve this, it is imperative to establish policies, strategies, mechanisms and programmes that promote a sustainable and just green fiscal and energy transition. Strategic partnerships between NGOs, the private sector, different levels of government and international organisations are also needed. Let's applaud the climate loss and damage fund, but if we don't focus on lowering global temperatures, the fund will be increased in the future".

Belén Páez, President of Fundación Pachamama points out that "actions and funding that strengthen the resilience of Amazonian forests are urgently needed if we are to continue in a precautionary approach, mitigate the main drivers of stress and increase the adaptability of forests and societies to avoid the point of no return in the Amazon". She noted that "the collapse of the Amazon system would end the stability of our economies in the region. Mainly with agricultural systems and temperature changes affecting the human population in the next 2 decades".

Genaro Godoy - Focal Point for YOUNGO's Climate Finance working group, emphasised that "COP28 concluded with few results on climate finance, highlighting the operationalisation of the Loss and Damage Fund, although with a budget limited to one billion dollars, reflecting a moderate commitment from the countries of the Global North. However, there was a backtracking on fossil fuel reductions and a lack of progress on climate justice with regard to foreign debt cancellation for
countries in the Global South, undermining the ability of these countries to accelerate climate action without affecting the fight for poverty eradication.

On the other hand, the New Collective Quantified Goal on climate finance succeeded in including civil society, but lacks a clear direction to guide the technical dialogue. There is still no clear definition of what constitutes climate finance, which makes it difficult to curb greenwashing. In addition, no agreement was reached on the operationalisation of Article 6, creating uncertainty in voluntary carbon markets, and there was no progress on measuring contributions and funding for grassroots organisations and youth, complicating resilience building in vulnerable communities.

Founder and General Director of GFLAC, Sandra Guzmán, said that COP28 failed to deliver a balanced package of decisions on climate finance, however, it did allow progress towards mechanisms to address loss and damage, and to move towards the design of a new finance goal. 2024 will be a crucial year and it is necessary that the package also includes commitments to finance adaptation and move towards a comprehensive reform of the financial system to make it consistent with the Paris Agreement. To read more of her opinion, you can read her personal blog: https://bit.ly/3teUJwi
Annex
Positioning analysis

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<th>Theme</th>
<th>Demand</th>
<th>COP28 Result</th>
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<tr>
<td>Global Stocktake and climate finance</td>
<td>We urge countries to integrate into the first Global Stocktake the financing gaps, and the urgency of meeting previously established commitments, and to establish guidance to make financial flows consistent with low-carbon and climate-resilient development, based on the principle of common but differentiated responsibilities.</td>
<td>The global stocktake text acknowledges the financing gaps between mitigation and adaptation, although it does not fully address the gaps in financing for loss and damage. It also acknowledges the gap in meeting the $100 billion that should have been transferred from developed to...</td>
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principle of common but differentiated responsibilities.

developing countries. In addition, the latest version of the text also speaks of the importance of continuing the dialogue on article 2.1.c of the Paris Agreement, on making finance flows consistent with low-emission and climate-resilient development. While this issue has generated disagreements between developing and developed countries, it is important to have this dialogue.

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<tr>
<th>Achievement of the $100 billion goal</th>
<th>Developed countries must ensure the transfer of the $100 billion per year to developing countries, and commit to maintaining this funding until the new collective and new quantified finance goal is established, without increasing their public debt.</th>
<th>As in previous years, the transfer of $100 billion per year in finance from developed to developing countries has not been achieved. According to the OECD, 89 of the 100 billion dollars were transferred in 2021, and it is said that in 2023 the 100 billion will be reached, however, at COP28 there was no compliance with this commitment, which generates little confidence among the parties.</th>
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<td>Increased adaptation finance</td>
<td>Agree on a target to increase adaptation finance, aiming for $400 billion per year. According to UNEP’s Adaptation Gap Report (2023), 10 to 18 times more is needed to close the adaptation finance gap for developing countries.</td>
<td>Although the Global Stocktake text acknowledges the adaptation finance gap, it does not mention a plan to mobilise a greater amount of resources, beyond “doubling” it by 2025 as established since COP26. Although it does say that adaptation finance should be balanced against mitigation finance, this would require at least a 10 to 18 times increase over what is currently available. Therefore, this commitment was also not met.</td>
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| Independent financial | Ensure the operationalisation | On the first day of COP28
<p>| <strong>arrangements for loss and damage</strong> | and new and additional capitalisation of the Loss and Damage Fund, ensuring direct access to vulnerable populations. | was agreed to operationalise the Loss and Damage Fund. This was based on discussions with the Fund’s Transitional Committee. This was followed by commitments and contributions from countries to the fund amounting to over $700 million, however, these only represent an insufficient amount of what is needed to address the unavoidable impacts of climate change. Moreover, there is no clarity on the additionality and predictability of these resources. |
| <strong>A collective and quantifiable needs-based finance goal</strong> | Agree on a transparent and participatory work plan for the design and approval of a new collective quantified and measurable climate finance goal based on the needs of developing countries. | While no elements of substance were agreed, the text of the new goal sets out a process for its design during 2024. The plan proposes to have three technical dialogues, plus a mandate for the co-facilitators to create a framework for the development of a negotiating text to move this conversation forward early in the year and not wait until COP29 to have those talks. The year 2024 will be crucial and the NCQG is the most important decision to be made at COP29. Furthermore, the global stocktake text recognises that the goal must take into account the needs of developing countries. Many elements will have to be discussed for the design, such as quantitative aspects, qualitative aspects, timing, thematic allocations and other issues. In this regard, the text of the global stocktake states that the goal will help the implementation of nationally determined... |
| <strong>Improved access to climate finance</strong> | Promote improved access to climate finance, in all existing mechanisms under both the Convention and bilateral cooperation and multilateral arrangements, with an emphasis on indigenous and local communities. | The global stocktake text speaks of the importance of improving access to climate finance, yet it does not set out a strategic plan to achieve this. It is hoped that this aspect will be taken into account by various bilateral and multilateral mechanisms in the months and years to come. But as an agreement, it remains a limited step forward. |
| <strong>Debt treatment</strong> | Ensure that financial agreements address debt treatment and restructuring for developing countries, with debt cancellation for countries with lower financial capacity and debt restructuring for those with higher capacity. | The global stocktake text refers to the importance of financial sector reform and that international financial institutions should consider the needs of developing countries to access more financing in the form of donations. However, there is no mention of the need for debt cancellation and alternative debt treatment through swaps and other instruments. At the same time, the launch of a commission of experts on nature, climate and debt promoted by Kenya, Colombia and France is acknowledged, with the aim of analysing the reforms necessary for countries to have more room in their public finances to finance their transitions and preserve biodiversity. |
| <strong>Decarbonisation of public finances</strong> | Ensure a clear mandate to remove fossil fuel subsidies, accelerate the decarbonisation of public | The first global stocktake adopted by the Parties establishes the need to phase out coal production, to move |</p>
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<th>finances and achieve a just energy transition in all developing countries.</th>
<th>away from fossil fuels in energy systems in a fair, orderly and equitable manner and to eliminate inefficient fossil fuel subsidies that do not address energy poverty. However, no clear timeframe is set for the case of subsidies as it states that they should be phased out &quot;as soon as possible&quot;, while noting that fossil fuel production and consumption will have to end around 2050, by which time the temperature increase could exceed even more than 4°C.</th>
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<td><strong>A new international fiscal compact</strong></td>
<td>Link the new international fiscal pact to the climate agenda, ensuring that those who have the most and pollute the most pay for the impacts and losses caused by climate change.</td>
<td>While the stocktake text talks about creating the necessary conditions to achieve mitigation and adaptation actions, including fiscal policy measures, it did not mention the importance of connecting these to the Tax Agreement process, which is expected to be a process that will take place in the coming months and years to come.</td>
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<td><strong>Towards a new international financial architecture and innovative and transformative finance</strong></td>
<td>Call for the transformation of the global financial architecture by integrating the objectives of combating climate change, protecting nature and sustainable development.</td>
<td>The global stocktake text notes the importance of reforming the multilateral financial architecture, including multilateral banks, and calls on its stakeholders to implement actions to increase climate finance, particularly through grants and concessional instruments. It also emphasises the role of governments, central banks, commercial banks, institutional investors and other actors to promote and improve access to finance in all regions, and to generate new and innovative financing</td>
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instruments, such as taxes, and reduce perverse incentives.

Get to know the complete positioning
Signatory organizations and individuals

- 20profe EIRL
- Ahora Qué?
- AJUVES
- ANEP CES UTU
- Argentina 1.5
- Asociación Ambiente y Sociedad
- Asociación Ciudadana por los Derechos Humanos
- Asociación Interamericana para la Defensa del Ambiente (AIDA)
- Banca de Inversión Sostenible
- BeLoop
- CAMBIUM Colombia
- Casa Fergal
- Casani Gosh Inversiones SAS
- Centro de Estudios de Estado y Sociedad (CEDES)
- Centro de Atención a la Mujer Trabajadora de Chihuahua A. C.
- Centro de Estudios de Derecho, Justicia y Sociedad (Dejusticia)
- Centro de Políticas Públicas y Derechos Humanos Perú Equidad
- CENTROAMÉRICA SIGLO XXI ONG
- Centro de Políticas Públicas para el Socialismo (CEPPAS)
- CESAL
- Citizen Climate International
- CityEs!
- Climate Reality Leadership Corps
- CL-Al-MATE
- Hub de Finanzas Sostenibles de México
- Climáticas
- Colectiva Eco Ch’ulel
- Comunidad Climática
- Consejo de Gobierno de Galápagos
- Coordinadora Andina de Organizaciones Indígenas (CAOI)
- Coordinadora de Organizaciones Indígenas de la Cuenca Amazónica (COICA)
- Cuencas Sagradas
- Derecho, Ambiente y Recursos Naturales (DAR)
- Desarrollo i
- Dsos
- Ecoprodel
- Ecuador Diferente Juventudes
- Espacio Encuentro de Mujeres
- Estrategia Circular MX
- Estudiante/activista
- Ernst and Young
- YOUNGO Finance & Markets WG
- Finanzas Inclusivas y Gobernanza
- FINANZAS SOSTENIBLES
- FortaEvalua
- Fundación Aja Montes
- Fundación Ambiente y Recursos Naturales (FARN)
- Fundación Avina
- Fundación Barranquilla+20
- GYBN Colombia
- Fundación de la Nacionalidad Siona
- Fundación Innovalat
- Fundación Mundo Ideal
- Fundación Pachamama
- Fundación para el Desarrollo Rural a empresarial (FUNDER)
- Fundación WanderCol
- Global Initiative for Economic, Social and Cultural Rights (GI-ESCR)
- Global Youth Coalition
- Gobierno Autónomo Descentralizado Municipal del Cantón Pastaza
- Gremio nacional de emprendedores sostenibles del Perú (Genes Perú)
- Grupo de Financiamiento Climático para Latinoamérica y el Caribe (GFLAC)
- Grupo Hábitat Perú
- Grupo Impulsor de Jóvenes ante la Comisión Nacional de Cambio Climático Perú
- Hakuna Matata
- Hivos
Hubs de Finanzas Sostenibles de GFLAC
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Incuba UNAS
Instituto Clima Info
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Inventhia consulting sas bic
ISTF Global
Itesm
Juventud Latinoamérica Sin Fronteras Perú
Juventudes Diversas por la Vida
Kiriaguascalientes
La Raíz - Pensamiento Crítico
La Ruta del Clima
Liga de Defensa del Medio Ambiente (LIDEMA)
Mesa Ambiental Nacional Escazú por Colombia
Mesa Nacional de Cambio Climático - Guatemala
Mingarã
Nuestra América Verde
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Polylat - Sovereign Debt Project
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Ruta Cívica
Santaoyála Consultores y Asociados
Soluciones Estratégicas Sustentables (SESSA)
Tikiva
Transforma
Viento Sur Zapala
Ana Victoria Cubero Mata - independiente
Angélica Rodríguez Sánchez - Independiente
Arya Ventures - Independiente
Caridad Martínez - Independiente
Daniela Cerasa Arellano - Independiente
Denis H Meléndez Aguirre - Independiente
Cynthia Aguilar - independiente
Francisco Águila Dávalos - Independiente
Juan Diego Amaya Gómez - Independiente
Diego Saucedo Portillo - Independiente
Lizeth Angélica Herrera Silva - Independiente
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Sayda Nidia Ramon Abad - Independiente
Daysi Aquize - Independiente
Gilberto Montaño Pérez - Independiente