More than 110 organizations and citizens from Latin America and the Caribbean (LAC) present a statement within the framework of COP28, with the aim of urging the implementation of concrete actions that promote a more sustainable financial system. However, there are actions that must be carried out beyond the United Nations Framework Convention on Climate Change (UNFCCC), so we consider it crucial to bring our demand to the **World Bank (WB) and International Monetary Fund (IMF) Spring Meetings** to ensure sustainable, fair, and equitable financing, thereby turning our statement into a key demand.

The context of multiple crises is challenging governments and institutions worldwide, especially in countries of the Global South, which lack financial capacity to address these challenges, specifically LAC, being one of the regions most vulnerable to climate change. **The year 2024 is critical for climate finance**: on one hand, the establishment of a **New Collective and Quantified Goal** will be the central theme of negotiations throughout this year, aiming to be one of the main outcomes of COP29 in Azerbaijan. This new goal seeks to increase ambition through the provision of greater and better climate finance. On the other hand, throughout the year, new **Nationally Determined Contributions** will be formulated and communicated throughout the months following COP29. Many of these commitments will have targets conditioned on international support, so their ambition and fulfillment will depend largely on the quantity and quality of the finance they receive.

According to the **Sustainable Finance Index (GFLAC, 2023)**, in the 20 most emitting countries of LAC, carbon-intensive revenues exceed sustainable revenues by 15 times, and carbon-intensive budgets exceed sustainable budgets by 31 times. This highlights the **urgency of decoupling the region's economies from extractive activities and promoting the development of economies based on nature protection and climate harmony.** To move in that direction, it is important, on one hand, to ensure compliance with finance commitments by developed countries; and on the other hand, to promote the transformation of the international financial architecture to ensure that financial flows are consistent with low-carbon and climate-resilient development, as established in Article 2.1c of the Paris Agreement.

The urgency becomes even more urgent considering that, according to the United Nations Environment Programme (2023), **finance for adaptation decreased by 15% in 2021**, despite the increase in meteorological phenomena and other impacts of climate change, with LAC being a highly vulnerable region, where increasing finance for losses and damages becomes unavoidable.

All of these matters are a fundamental part of **building a sustainable financial model in the world**, which begins with a rapid and accelerated reduction of incentives and finance for carbon-intensive activities. In response to this need, organizations belonging to the Latin American and Caribbean Network for a Sustainable Financial System (REDFIS) recognize the importance of international financial institutions undertaking structural reforms and incorporating climate change and sustainable development into their priorities. To advance in this direction, we have identified nine strategic lines that must be promoted within the framework of the Spring Meetings, to carry out a just and sustainable transition, but above all, giving urgent attention to the climate crisis and its evident consequences:

1. Increase finance for adaptation: It is essential to increase climate finance for adaptation, beyond doubling it by 2025, as established since COP26. It is important to have a commitment to increase adaptation finance by at least ten times, to balance it with mitigation finance. The WB and the IMF play a very important role in integrating adaptation into their operations and project portfolios, but above all in their technical cooperation.

2. Urgent finance for losses and damages: In 2023, it was agreed that the WB would be the provisional host of the Loss and Damage Fund, so it must confirm its commitment and whether it can meet the conditions established in the COP28 decision, indicating what mechanisms it has established to ensure new, additional, predictable, and adequate financial support. It is vital for communities and countries affected by the climate crisis that the Fund is operational to disburse the promised resources. Any delay by the WB could result in further irreparable losses for these vulnerable communities.

3. Improvements in access to climate finance: It is essential to address access to finance, specifically for indigenous and local communities, as well as for other historically marginalized groups such as people with disabilities, women, children, and adolescents, among others, in cases of emergencies to address losses and damages, and urgent adaptation needs in developing countries. The WB and the IMF must promote efficient access to financial resources and simplify finance approval procedures, as well as the implementation of innovative financial mechanisms.

4. Debt and climate crisis: The WB's business model relies heavily on loans and conditionalities, which are completely inadequate instruments for addressing the climate crisis, as they further exacerbate the indebtedness of developing countries. Additionally, to ensure debt repayment, these countries face increased pressure to overexploit natural resources and promote highly polluting extractive activities. It is crucial that projects developed by the WB do not generate more debt or pressure countries to invest in fossil fuels, but rather promote the development of clean and sustainable renewable energies.

5. Decarbonization of public finance: It is crucial to decouple financial systems from fossil fuels, fairly, orderly, and equitably. The WB and the IMF must commit to excluding all direct and indirect financing for fossil fuels and review their alignment methodology with the Paris Agreement to ensure it is rigorous enough. Shareholders can pave the way by progressively eliminating inefficient subsidies for fossil fuels, promoting an accelerated transition in developed countries and creating incentives for this to happen in developing countries.

6. A new international fiscal pact: WB shareholders must promote a new international fiscal pact within the framework of the United Nations to generate additional revenues to address the climate crisis, through taxes on the most polluting and resource-rich. The negotiation of a United Nations Tax Convention is key to an inclusive international fiscal pact. Schemes such as environmental taxes and carbon taxes must be established, ensuring that revenues are allocated to a fair energy transition.

7. Democratization of decision-making governance: International financial institutions must be reformed and democratized to ensure more equitable representation and redistribution of resources that respect human rights. The most polluting shareholders should not have disproportionate power, and it must be ensured that countries and communities affected by the climate crisis have a significant voice in decisions to guarantee a just transition to sustainable development.

8. Allocation of Special Drawing Rights (SDRs): In response to the impacts of the climate crisis, not only a new issuance of SDRs for immediate support is needed, but also a review of its distribution system, as the current allocation is insufficient in the face of the goals and needs of developing countries. This implies regular or periodic issuances, or in response to specific crises or catastrophes, with allocations based on needs, which could help avoid politically motivated delays. Allocation based on IMF quotas has been unfair and has not reached the most vulnerable countries.

9. Transformation of the IMF's role: The IMF's climate strategy, which currently prioritizes macroeconomic and financial stability over critical mitigation and adaptation objectives, imposes conditionalities that perpetuate the expansion of fossil fuels in Global South countries with hydrocarbon reserves, aiming to ensure debt service payment and balance of payments stability. It is imperative that the IMF reorient its priorities towards an approach that actively promotes the transition to renewable energies and the building of climate-resilient economies.