

Call from Latin American and Caribbean Civil Society at the G20.

Towards fair and equitable finance
for people, nature, and climate.



More than 110 organizations and individuals presented a position statement within the framework of COP28 with the aim of urging the implementation of concrete actions to promote a more sustainable financial system. As a result of the deficiencies evidenced during the conference, we consider it crucial to take our demand to the G20 forum, thus turning our statement into a key demand.

In a context of multiple crises, the G20 emerges as a key forum to address urgent challenges related to development, climate change, and multilateralism. Brazil's administration offers an opportunity to articulate and advocate for the interests of Latin America and the Caribbean (LAC), and the Global South as a whole, having established three priority lines of action: social inclusion and the fight against hunger and poverty; energy transition and sustainable development; and global governance reform.

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 need to decouple the region's economies from extractive activities and to promote the development of economies based on nature protection and climate harmony. To advance in this direction, it is important, on one hand, to ensure that developed countries meet their financing commitments and, on the other hand, to promote the transformation of public finances in developing countries towards a model that is compatible with low greenhouse gas emissions and climate-resilient development.

The urgency becomes even more pressing when considering that, according to the United Nations Environment Programme (2023), funding for adaptation decreased by 15% in 2021, despite increased weather events and other impacts of climate change, being LAC a highly vulnerable region, where increasing finance for losses and damages becomes imperative.

All of this is a fundamental part of building a sustainable financial model in the world, starting with a rapid and accelerated reduction of incentives and finance for carbon-intensive activities. In response to this need, the signing organizations recognize the importance of the G20 as a relevant forum for addressing global challenges, and believe that climate finance should be a priority on the agenda. Any decision adopted by the G20 on this matter should be within a more inclusive governance framework, recognizing the legitimacy of spaces such as the United Nations. To advance in this direction, we have identified strategic lines that should be promoted by Brazil's administration to carry out a just and sustainable transition, but above all, giving urgent attention to the climate crisis and its evident consequences:

1. Improving understanding of compliance with Article 2.1.c of the Paris Agreement: The G20 must actively contribute to understanding and complying with the objective of making finance flows consistent with low-carbon and climate-resilient development, as established in Article 2.1.c of the Paris Agreement, recognizing that developing countries will require finance from developed countries to achieve this transition, and that developed countries must lead in the process.

2. Meeting the \$100 billion target: G20 members must urge developed countries not only to show progress in fulfilling the transfer of \$100 billion annually and reaffirm that the total amount

accumulated by 2025 is \$600 billion, but also to demonstrate a commitment to maintaining this finance until the entry into force of a new collective and quantified goal on climate finance, without increasing the debt of developing countries.

3. Increasing funding for adaptation: It is essential for G20 countries to support the increase in climate finance for adaptation, beyond doubling it by 2025 as it was established at COP26. It is important to have a commitment to increase adaptation finance by at least ten times to balance it with mitigation finance.

4. Urgent funding for loss and damage: Although the operationalization of the Loss and Damage Fund was agreed at COP28, countries' finance commitments are insufficient in the face of the size of inevitable impacts of climate change. G20 countries must reaffirm their commitment to capitalize the Loss and Damage Fund, ensuring direct access to developing countries particularly vulnerable to the adverse effects of climate change.

5. A collective and quantifiable needs-based finance goal: The G20 must place the design and approval of the new collective and quantified climate finance goal as part of its priorities in 2024, and work to ensure that it is based on the needs of developing countries, including the need for foreseeable public finance that does not increase countries' debt.

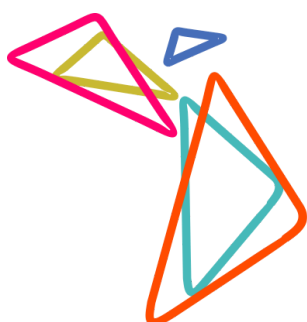
6. Improved access to climate finance: It is essential to address access to funding, specifically for indigenous and local communities, as well as in cases of emergency to address loss and damage, and urgent adaptation needs in developing countries. The G20 must promote efficient access to financial resources and simplify funding approval procedures.

7. Debt treatment: G20 countries must promote the treatment and restructuring of developing countries' debts, including debt relief for countries with lower financial capacities and debt-for-climate-action schemes for emerging countries. Guarantee mechanisms must be established to assure the resources are invested in reducing emissions and increasing resilience, protecting biodiversity and ecosystem functions.

8. Decarbonization of public finances: It is crucial to decouple financial systems from fossil fuels in a fair, orderly and equitable manner. G20 leaders must meet their commitment to progressively eliminate inefficient subsidies for fossil fuels, promote an accelerated transition in developed countries, and create incentives for this to happen in developing countries.

9. A new international fiscal compact: G20 members must promote a new international fiscal compact within the United Nations framework that generates additional revenues to address the climate crisis by taxing the most polluting and rich entities. Negotiating a United Nations Tax Convention is key to an inclusive international fiscal compact. Schemes such as environmental and carbon taxes must be established, ensuring that revenues are allocated to a just energy transition.

10. Towards a new international financial architecture and innovative and transformational finance: It is imperative that G20 countries drive a comprehensive transformation of the international financial architecture, mobilizing quality and innovative finance to address climate change and ensuring the participation of affected communities. International financial institutions must be reformed and democratized to ensure more equitable representation and resource redistribution and to align them with the goals of the Paris Agreement. Comprehensive strategic planning is crucial to identify and track climate finance at the international level.



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