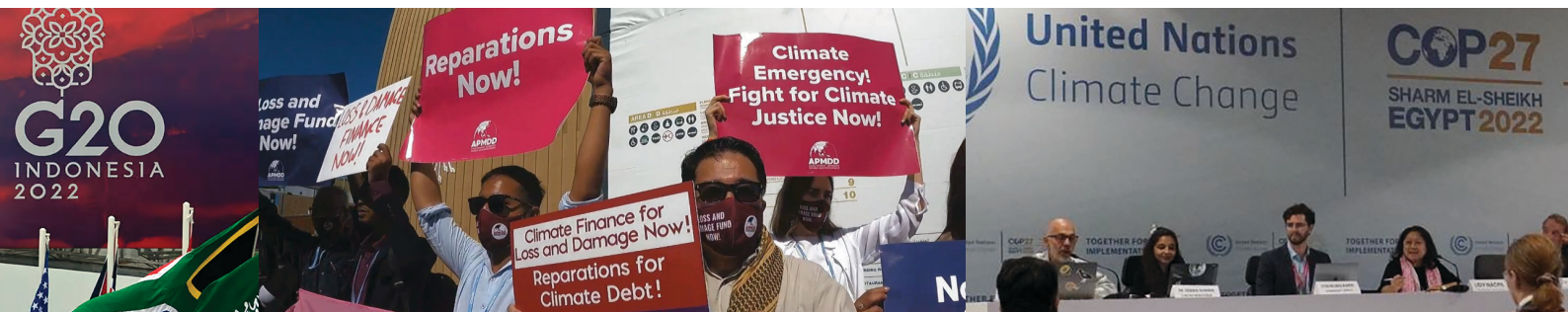


# To Governments at the COP27 and the G20 Summit: Deliver actions on climate and economic justice!



**As COP27 and the G20 Summit begin to wind down, the updates so far are filled with news of scant outcomes and lack of agreement on key issues. World leaders and decision-makers assembled at these two important spaces to respond to the escalating global crises have a huge responsibility to deliver meaningful and tangible outcomes to save lives at this most critical time.**

**Today, November 16, we are waging actions across Asia and at COP27 to add our voices and demands to the global clamor for climate and economic justice! We reiterate the following demands:**

## **Reparations for climate debt! Deliver adequate, non-debt creating climate finance and a Loss and Damage Fund**

Climate change is intensifying and its impacts are exacerbating poverty and inequality in the Global South. Loss and damage from intense flooding and chronic droughts are compounding the threats of rising prices of fuel, food, and health care. We call on the governments of rich, industrialized countries, their elites and giant corporations who bear the greatest responsibility for the climate crisis: pay your climate debt owed to people and communities who contributed the least, if at all, to the problem, but bear its biggest impacts.

The urgent and full delivery of climate finance obligations is part of reparations for a huge and increasing climate debt that governments, elites and corporations of rich, industrialized countries owe to the Global South. The UN Framework Convention on Climate Change, a legally binding agreement that is the basis of the climate summit, specifies that developed country governments must provide new, additional and adequate climate finance to developing countries on the basis that developed countries have contributed the most to the problem of



climate change. This climate finance is to be used for adaptation, building resilience, and GHG reduction measures in developing countries, which includes the transition to renewable energy away from fossil fuels. It is not aid nor assistance, but part of reparations for the harm caused.

We condemn the continuing inaction, deception and delaying tactics done by governments of the Global North to avoid their climate finance obligations. These are serious travesties of justice and outright violations of human rights at this time of intensifying climate impacts. Further, we condemn their continued financing of fossil fuels while providing very little climate finance, most of which are in the form of loans. Climate finance should not be provided through debt creating instruments or as investments. It is not an opportunity for rich countries and corporations to profit from poor and vulnerable countries.

## **Rapid, just, and equitable transition to 100% democratic and renewable energy systems;**

Since last year at the G20 Summit in Rome and the COP26 in Glasgow, and the G7 Summit this year, there have been pledges by governments of the world's largest economies to stop financing overseas unabated coal by the end of 2021, end international public finance for fossil fuels, including inefficient subsidies by the end of 2022, and prioritize clean energy finance. These pledges carried loopholes and exceptions and were reliant on unproven technologies, such as carbon capture and storage that would allow for continued GHG emissions.

Instead of raising the level and widening the scope of their commitments, some of these governments have yet to follow through and some are now clearly backtracking using the energy crisis as justification. Despite the recent World Energy Outlook report confirming last year's findings that no new fossil fuel projects are needed, and despite scientists' warnings that the world should stop expanding the production of fossil fuel and immediately begin the phase out, some governments are backsliding on their word and pushing for increased gas financing and production. And in the Global South, international financial institutions and many governments are touting gas as transition fuel.

We call on all governments at COP27 and at the G20 Summit to make clear and unequivocal commitments to a global, rapid, just and equitable transition out of fossil fuels with each country undertaking their fair share of actions based on their historical and continuing share of responsibility for the climate crisis and at a scale and speed consistent with keeping temperature rise to below 1.5 degrees Celsius. We demand outcomes at COP27 and the G20 that makes an explicit declaration for an immediate stop to the expansion of coal, gas and oil industries. We demand accelerated development of renewable energy systems towards full global decarbonization before 2050.

## **Real Zero not Net Zero; No More False Solutions**

We need real solutions to climate change and the multiple crises we are facing. The time is now to address the root cause of the problem, instead of pushing for false solutions that extend the life of fossil fuels, create opportunities for big business to profit from the climate crisis, undermine the rights of peoples and communities to food, land, water and bring other environmental problems.

We demand a stop to the peddling of gas as transition fuel, and nuclear as an alternative to fossil fuel energy.

We demand all governments to pursue REAL ZERO and not the net zero that comes with the promotion of carbon capture and storage and other similar unproven and unreliable technologies that justify continued GHG emissions, and of carbon trading and offsets that allow rich countries to pass off their responsibility to others.



## Cancel the debt, free up public funds for people and planet

The problem of debt is a huge obstacle for countries of the Global South in building robust public services, pursuing climate actions, and equitable and sustainable development pathways.

From pronouncements thus far of G20 leaders and international financial institutions (IFIs), it is clear that false debt solutions – limited to a few countries, short-term and inadequate – will be pursued, even as they recognize that greater difficulties lie ahead. Total external debt stock of low- and middle-income countries rose on average 5.3 percent in 2020 to \$8.7 trillion, driven by an increase in long-term debt. But total debt suspension granted to the 43 participating countries in G20's flawed and failed Debt Service Suspension Initiative (DSSI) reached only \$13 billion or a mere one-fourth of the amount that the G20 announced the DSSI would deliver.

Today, the Common Framework for Debt Treatments beyond DSSI, remains the prime “debt relief solution” of the G20, with vigorous support from the IFIs. But the Common Framework is not common at all. Instead of wider and deeper debt cancellation for all South countries, the Common Framework pushes a case by case approach and has not gone beyond encouraging private creditors to participate in debt reduction. Only three African nations – Chad, Ethiopia and Zambia – have applied over more than two years since this was launched.



In a context of intensifying climate change, ignoring the growing global demand for debt cancellation to shift funds from debt service to survival forebodes catastrophic implications. Lenders prioritize debt service at the expense of rights and needs that should urgently be protected and fulfilled as the climate crisis becomes more acute. Pakistan is a clear example -- contributing less than 1% of global carbon emissions, yet it bears the worst consequences of the climate crisis.

As the Pakistan people deal with the horrific aftermath of epic floods in September, a debt burden approaching \$250 billion and mounting debt service payments are being claimed from them. From July to December 2021 alone, the government paid US\$5 billion in debt service to external debt creditors. The US\$1.1 billion released by the IMF carries austerity conditionalities such as increasing fuel levies and energy tariffs. On top of principal and interest payments, the country had to pay the IMF US\$65 million in surcharges (additional interest rates) from 2018 to 2020, and will be charged \$392 million more from 2021-2030.

Failing to heed peoples' voices, the world's wealthiest countries stand in the way of transforming the international financial architecture to be in line with universally accepted human rights obligations and obstructing the demand for a fair, democratic, transparent and multilateral mechanism for addressing unsustainable and illegitimate debt.

We remain steadfast in our calls for the immediate cancellation of unsustainable and illegitimate debts, many of which funded fossil fuel projects and contributed to exacerbating the climate crisis. We oppose the continued peddling of loans as solutions to the health, economic and climate crisis. The urgent need to transition globally towards a more sustainable, equitable society and economy must be supported by sustainable, responsible, sufficient, just, non-debt creating climate finance, and does not worsen the lives of millions of people in the global south already ground down by austerity conditionalities.



## Make Taxes Work for Climate Justice and Ending Inequalities! Wealth Tax Now, for Climate Finance and Public Services!



As the climate crisis intensifies, inequalities within countries and between countries have also risen to historic levels. Inequalities are manifested in climate change's impacts, with marginalized communities and women living in poverty bearing the brunt, their access to food, water, and essential services severely compromised, if not totally eroded. And yet, in the face of the multiple crises, the accumulation and concentration of wealth in the hands of an elite minority continues unabated. According to the

World Inequality Report 2022, the richest 1% of individuals all across the globe have raked in a whopping 38% of the world's total economic growth since the 1990's. In the same timeframe, the bottom 50% have received just 2% of economic growth.

The decades of neo-liberal policies, austerity measures, regressive taxation and a flawed international tax architecture that enables systematic tax abuses by corporations and the elite have exacerbated inequalities. This deadly combination of deeply flawed economic policies and structures has plunged the vast majority of the world's population into poverty, increasing their risks and vulnerabilities to climate change's impacts. It has also undermined the capacities of states, especially countries in the Global South, to raise revenues and mobilize adequate domestic resources much-needed to effectively address the climate emergency, provide quality public services that truly meet people's needs, and deliver on their human rights obligations and sustainable development commitments.

We call on governments to stem the rising tide of inequalities, fix the fundamental flaws of the international tax architecture, adopt progressive tax policies that fairly and sharply tax the wealth and income of corporations and the elite and end unjust tax policies that are burdensome for women, workers, and other marginalized communities. What we need are tax systems and policies that truly work to serve the needs and interests of people and the planet.

We call for a wealth tax NOW. A wealth tax is a potent tool for advancing economic and climate justice. A wealth tax is a tax on the market value of assets owned by an individual taxpayer rather than on their income. Taxable assets may include cash, bank deposits, shares, land, real property, cars and furniture. By taxing the wealth of high net-worth individuals and not just income, governments will be able to raise more domestic revenues for funding essential public services and delivering decisive climate action.

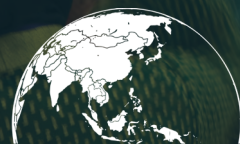
We call on governments meeting at the COP 27 and G20 Summit to heed the growing calls for a wealth tax. It is one of the urgently needed policy instruments that can be wielded towards curbing Inequalities, addressing the climate crisis, and building resilient, people-centered, and sustainable economies.



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