

CHARTER OF DEMANDS FOR COP29

SUBMISSION TO THE PRESIDENCY OF AZERBAIJAN



Alliance for
Climate Justice &
Clean Energy

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Alliance for Climate Justice and Clean Energy (ACJCE), Pakistan – A Charter of Demands for COP29

We, the members of the Pakistan-based Alliance for Climate Justice and Clean Energy (ACJCE) hold the socially unjust, fiscally exploitative, and ecologically destructive global financial architecture and economic systems responsible for Pakistan's climate crisis. Still reeling from the 2022 floods, the nation is in the grip of a poly-crisis comprising record breaking urban smog, water stress, rapid glacial melt, coastal erosions, flooding, destruction of riverain ecologies, economic meltdown, debt distress, financial instability, deepening poverty, and unaffordable energy prices. Decades of extractive developmental policies, ecologically devastating profiteering, predatory lending, and unfair trade practices by Global North nations, private corporations, and Multilateral Development Banks have pushed Pakistan to this tipping point. Pakistan's climate and debt crisis can not be understood let alone resolved without addressing these historical injustices.

We believe that piecemeal reforms, Business As Usual BAU financial frameworks, and techno-centric approaches will fail to resolve the climate crisis at either the national, regional, or global levels. Nothing less than a paradigm shift is required. Countries like Pakistan need climate action grounded in an "accountability-first" plan that prioritizes radical "transformation" of the global financial order to repay the climate debt owed to the Global South. We reject any measures based on false solutions led by actors responsible for perpetuating historical harms and climate injustices. We demand a new climate action framework based on the principles of climate justice with key decision-making processes led by climate-affected communities and the people of the Global South.

COP 29 must deliver on this to pave the way for a just and effective response to our shared planetary crisis. At Baku, we urge the presidency to take action on the following issues:

1. New Collective Quantified Goal (NCQG) for Climate Finance

- The NCQG process must operationalize the core principles of climate justice – including the "polluter pays" and "common but differentiated responsibility" principles – and recognize the climate debt owed by the Global North to the Global South. COP 29 must acknowledge the \$5 trillion per year debt owed in reparations to the Global South.
- The NCQG must ensure the provision of urgent, adequate, high-quality, new and additional, public, grants-

based climate finance on a scale adequate to meet the climate needs of the Global South.

- No Fixed Cap on NCQG: The NCQG must also account for changing needs and set flexible, principles-based financial targets that are proportionate to present needs but also allow for adaptive revisions as the effects of climate change and our knowledge of their impacts evolve.
- Under the NCQG, Global South nations who experience an extreme climate event should receive an immediate and unconditional cancellation of their outstanding debt for all classes of creditors (including bilateral, multilateral, and private financiers). This should be in addition to grant-based funding which is sufficient to meet the losses and damages suffered.
- Rapid scaling up of non-debt creating climate finance for the most vulnerable countries: Pakistan, like many climate-vulnerable countries of the Global South, is drowning in debt and spending a substantial amount of its budgetary resources on debt servicing. It doesn't have financial resources to be spent on climate action or other sustainable development goals (SDGs). We demand substantial public climate finance commitments in the trillions to support the climate goals of countries like Pakistan without increasing their debt burden. This commitment needs to come from historically high emitting countries and private corporations as well as multilateral development banks and development financial institutions.
- Private Sector led Financing is not a silver bullet solution to either mitigation or adaptation: We reject climate action strategies that rely on mobilizing private finance or channeling funds through the private sector as the answer to the mitigation and adaptation challenge. While it may feature as part of public led solutions, the private sector can not deliver the quantity or quality of climate finance needed.
- We urge the COP to limit the role of the IFIs like the World Bank and IMF in channeling the funds raised through the NCQG until these institutions have undertaken large-scale transformations of their governance structures, knowledge practices, and funding operations. It is especially important to ensure democratic representation of the Global South in the governance of the IFI's.
- We reject any mechanism for channeling NCQG funds that risks adding to the debt burdens of Global South nations or eroding their sovereign control and ownership over natural resources.
- We reject any financing strategies that imperil the local community's control over collective indigenous resources.
- We support the passing of a UN Framework Convention on International Tax Cooperation to ensure a global tax regime that disincentivizes climate negative commerce and serves the financing needs of global south countries.
- Grants as Loss and Damage (L&D) Financing: We are alarmed at the low contribution from the Global North to the L&D fund, which remains at only \$700 million. We also reiterate that grants are the only acceptable form of financing for Loss and Damage (L&D).
- Transparency and Inclusivity: Climate financing frameworks must prioritize transparent, inclusive processes, with proportional representation of the most affected nations and communities, clear eligibility criteria,

standardized accounting, and regular monitoring based on a single methodology for measuring and reporting finance flows.

- ACJCE demands a single unambiguous definition for climate finance under the UNFCCC and Paris Agreement. This definition must make clear that climate finance only counts as such when net flow of benefits is from developed countries to developing countries.

2. Enhanced Nationally Determined Contributions (NDCs) and Just Energy Transition

- NDC Revision to Reflect Just Energy Transition: NDCs must be updated to ensure they are achievable and community-centric, prioritizing affordable, equitable and sustainable access to clean and green energy for all. For all NDC commitments by Global South nations which are made contingent on the availability of international finance, the COP must agree to assign responsibility to Global North nations proportional to their historical contribution to global GHG levels.
- Recognize indigenous communities and local affectees as the rightful stewards for leading mitigation and adaptation efforts: COP must recognize grass root's communities, local activist networks, and CSO's as the rightful stewards and beneficial stakeholders when it comes to energy transition and adaptation projects.
- A clear transition plan for phasing out fossil fuel related industries is needed. We remain concerned by the increase in fossil fuel industry lobbyists at the COP space. We urge global commitments to a clear transition plan with concrete timelines for phasing out fossil fuel industries and related infrastructures across the value chain.

3. Loss and Damage (L&D) Framework

- Pay Pakistan L&D for the 2022 Floods: Despite suffering more than \$30 billion in damages in the devastating 2022 floods, Pakistan was pledged only \$10.98 billion in assistance of which it has received only \$2.8 billion to date. ACJCE demands that the nation be provided grant-based L&D funding in the amount of \$27.2 billion immediately.
- Approach to Loss and Damage: Establish an ambitious, principle-driven L&D mechanism drafted in consultation with national and local government bodies and affected communities that addresses the full scope of climate impacts in climate vulnerable nations like Pakistan, providing equitable support for disaster recovery.
- Civil Society and Community Representation in L&D Decision-Making: Include CSOs and affected communities in L&D negotiations to ensure that community perspectives and priorities are integrated into the Fund's claims and eligibility assessment, resource allocation and operationalization processes.
- Allow for direct transfers of L&D grants to affected communities. Provision must also be made for funds to be channeled through local communities, civil society experts, and sub-national institutions who have a rightful claim to climate stewardship and possess the local knowledge and cultural practices to lead rehabilitative action.

- Declare the World Bank ineligible from Hosting the Secretariat of the L&D Fund: In light of the World Bank's historical role in pushing reckless developmental projects as well as recent reports of over \$40bn unaccounted for in the Bank's climate financing we strongly opposes the Bank's centrality to the L&D Fund, and call for an independent audit of the Bank's institutional failings and predatory lending practices.

4. Debt Restructuring and Realigning CBAM

- Debt Restructuring for Climate Resilience: An independent UN Framework Convention for Sovereign Debt needs to be developed urgently. This framework needs to establish standards and procedures for a debt workout based on the principles of climate justice to help vulnerable nations break out of the climate and debt trap.
- Recommend immediate debt caps and debt restructuring policies for climate and debt distressed nations like Pakistan allowing them to reallocate resources toward climate adaptation and mitigation rather than debt repayments.
- Enhance the IMF's Debt Sustainability Analysis (DSA) Frameworks: pending any comprehensive UN Debt Framework, the COP presidency should ensure revisions to the IMF's DSA frameworks in order to protect vulnerable nations from debt spirals and predatory lending. ACJCE demands that DSAs be enhanced to account for climate losses, growth lost to austerity policies, climate investments and developmental needs of vulnerable nations.
- New legislation is needed in Paris Club jurisdictions to compel private creditor participation in debt cancellation and restructuring processes.
- An urgent independent climate and socio-ecological harm assessment of the impact of IMF and MDB's operations (including technical assistance, development policy finance, project finance, and private lending) in the Global South is required under the UN framework.

Until such an assessment is made, we urge the COP to:

1. De-link MDB climate finance from policy conditionality. The IMF and Multilateral Development Banks (MDBs) should not make its climate finance contingent on energy sector reforms and other climate-related conditionality, ensuring that developing countries are protected from its historically climate averse policies while retaining access to essential financing.
2. Independent Review of MDB's operations Independent Evaluations: Engage external experts to assess climate conditionality impacts.

Required Actions:

1. Establish an international task force for climate-resilient energy reforms.
2. Develop guidelines for climate-sensitive loan conditionality.

3. Support country-driven climate strategies.

- Support for Renewable Technologies: Facilitate the transfer of renewable technology, such as wind turbines and solar panels, ensuring Pakistan has the tools needed to achieve its renewable energy goals i.e creation of congenial atmosphere for local manufacturers should be part of our demand
- Differentiated CBAM Standards: We demand Carbon Border Adjustment Mechanisms (CBAM) standards that account for differential impacts on local industries, limiting CBAM application to high-emission production processes rather than Pakistan's entire energy grid.

5. Renewable Energy Financing and Fossil Fuel Exit Strategy

- Immediate Support for Renewable Energy (RE) Projects: International Financial Institutions (IFIs) must enable a rapid flow of funds from Global North countries into Pakistan's renewable energy and adaptation projects, including dedicated non-debt based credit lines and special-purpose funds.
- Halt Support for Fossil Fuel Expansion: We call on the international community in general and IFIs in particular to adopt robust Paris Alignment frameworks that prevent any new direct or indirect support for fossil fuel projects in Pakistan, including gas projects which must be treated as harmful as coal and large hydroelectric and hydraulic infrastructural projects which are ecologically risky.
- ADB and WBG Support for Coal Retirement: The Asian Development Bank (ADB) and the World Bank Group (WBG) should facilitate grant-based funding through the process like Energy Transition Mechanism (ETM) to come up with early coal retirement plans and phase out coal power plants, aiding Pakistan's move to a clean energy future.
- Fossil fuel ongoing harms: We demand strategy/guiding principles of decommissioning, repurposing, restoration (specific standards for retirement)
- Meaningful Definitions for Renewable Energy: We demand clear and meaningful definitions for Renewable Energy so that false solutions like large hydropower are not pushed on water-stressed nations like Pakistan in the name of mitigation.
- Community Consultations in Assessing Harms of Hydro Power Projects: Direct community consultations with downstream communities should be conducted to assess the environmental and social harms caused by hydro infrastructure development in upstream areas and immediate remedial measures should be taken to rehabilitate important river system ecologies like the Indus Delta of Pakistan.

6. Public Sector and Private Sector Alignment on Climate Goals

- Evaluation of Public Sector Mega-Projects: Public sector mega projects with climate risks should be reviewed to assess their impacts and be aligned with Pakistan's climate goals, halting projects that exacerbate emissions or climate vulnerability such as mega hydro projects.
- Enhanced IFI Standards for RE Projects: IFIs must adopt stringent environmental and social standards before

promoting large projects, ensuring climate resilience is prioritized, and risks associated with large hydro-power and gas projects are acknowledged.

7. Civil Society and Community Participation in Climate Processes

- Streamlined Accreditation for Global South CSOs: Simplify and expand COP accreditation processes for Global South CSOs and affected communities allowing for their direct participation in climate negotiations. As seen previously, there has been over-representation of corporate interests and Global North at previous COPs.
 - Recognition of CSOs' Role in Awareness and Mobilization: Empower CSOs to lead public awareness campaigns, educating citizens on sustainable energy solutions and the long-term benefits of energy efficiency.
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Conclusion

As representatives of Pakistan's vulnerable communities, we urge COP29 to adopt policies that support an inclusive, equitable, and just energy transition for Pakistan. We call on global leaders, financiers, and corporations to prioritize climate justice, addressing the urgent need for financial, technological, and infrastructural support to enable Pakistan's resilient, sustainable development path. Together, we must create a future that aligns with climate resilience and equity for all.