



CLIMATE FINANCE ESCALATION CAMPAIGN 2024

BACKGROUND PAPER

for consideration of various CSO constituencies in the climate justice arena and of the wider social movements

Why must we escalate our efforts this year?

The frequency and intensity of climate catastrophes are skyrocketing, causing devastating economic and social impacts, especially in the most vulnerable regions. Decades of inaction and broken promises by the governments of the Global North have not only compounded these losses but have also deepened the gross inequalities and injustices endured by communities, economies, and ecosystems.

This year is a pivotal year for Climate Finance. At COP29 in Baku, critical decisions will be made to address the soaring costs of urgent climate action. This year presents crucial political moments that will either propel us toward the radical transformation needed in our social, economic, and political systems or doom us to further climate chaos. Delay is no longer an option—we need to unite and increase pressure on all fronts to ensure decisive action.

What is the climate debt the Global North owes to the Global South?

The Global North has an incalculable climate debt owed to the Global South, stemming from their historical and ongoing greenhouse gas emissions that have caused and will continue to cause massive losses and damages. There is a **historical, ethical and legal responsibility** of the Global North to repay this debt with urgency based on their fair shares, as part of a larger historical and continuing social, economic, and ecological debt owed to the Global South, arising from centuries of exploitation and inequity.

What do we want?

To begin addressing this climate debt, we demand the **governments of the Global North to provide at least US\$5 trillion per year** to the Global South in **public finance**. The said amount must be revised upwards regularly as needed, and be considered as merely an initial payment, toward the much larger total climate debt that continues to accrue. It is important to emphasize that the current climate debt is immense and incalculable. This payment provides a realistic, attainable figure for governments of the Global North to deliver as a starting point in

addressing the urgent and rising climate needs of the Global South.

What is the basis for the US\$5 trillion/year ask?

[Several studies](#) suggest that the annual finance needed ranges from US\$2.3 - US\$10 trillion. For example, using the figure of \$192 Trillion until 2050, the annual average from 2023 (when the study was released) to 2025 is over US\$6.85 Trillion a year. Recognizing that the amounts are all underestimated, we forward the demand that the Global North collectively deliver **US\$5 trillion annually as climate debt**. This figure does not include the necessary and appropriate investments that the private sector must provide as part of their responsibility.

Is US\$5 trillion per year attainable?

The Global North's claim of insufficient resources for development and climate finance is fundamentally flawed and disingenuous. During the COVID-19 pandemic, these governments mobilized an astounding [US\\$16 trillion](#) in fiscal stimulus to support their economies. Additionally, the G7 spent over [US\\$1 trillion annually](#) funding wars and conflicts globally. This clearly demonstrates that the resources exist—they are just being allocated based on political will and priorities. If trillions can be found for pandemic relief and military expenditures, the same financial commitment must be made to address the existential threat of climate change.

Is the US\$5 trillion the number we demand for New Collective Quantified Goal (NCQG)?

No. The US\$5 trillion per year is an initial payment towards the climate debt owed to the Global South and serves as a **critical barometer** for discussions on the scale of the new collective quantified goal (NCQG) on climate finance. The climate debt is the moral framing for the new climate finance goal, which has to be needs-based, with a core of public grant-based finance.

What kind of Climate Finance do we need?

In light of the NCQG discussions, it is important to emphasize that the delivery of Climate Finance, as part of the payment for climate debt, must be:

✓ **PUBLIC** and should not be driven by profit intrinsic to private investments and corporations

✓ **NEW & ADDITIONAL** to existing financial commitments of the Global North such as ODAs, multilateral and bilateral aids, etc.

✓ **NON-DEBT CREATING** and must not lead to the further exacerbation of the existing debt burden of the Global South

✓ **ADEQUATE & PREDICTABLE** to ensure that resources are available when and where they are needed most and avoid further delays in implementing urgent action

✓ **COVERS NEEDS FOR MITIGATION, ADAPTATION, LOSS & DAMAGE, AND JUST TRANSITION**

✓ **CHANNELED THROUGH DEMOCRATIC, TRANSPARENT AND ACCOUNTABLE MECHANISMS** and NOT via the existing or new structures where the Global North dominates governance and designs policies favoring their geopolitical and economic interests.

When do we want to raise this?

We suggest to (digitally) launch this piece of the global #PayUp campaign around the Heads of Delegation retreat happening in Baku, from **July 25 to 28**. We see this as a good opportunity to raise the bar of ambition high and enshrine the negotiations around the future climate finance goal in this moral framing and reflect the responsibility of the Global North to pay its climate debt to the Global South. This milestone of the Finance Escalation is aimed to be complemented with various other moments of actions and campaigns, including a Global Day of Action in September during the period of the UNGA and the Summit of the Future.