

## Key Messages from the High-level meeting organized by UNCTAD and South Centre on Building South-South Solidarity on Climate Adaptation

Geneva, 25 October 2022

Climate change is an existential challenge for developing and developed economies alike. Although historically the developing countries have not been responsible for the excessive GHG emissions that are altering the planet's climate, they are disproportionately affected by adverse climate events and do not have the appropriate means of response. While developed countries are devoting growing resources to address climate change's adaptation and mitigation in their jurisdictions, in many developing countries vulnerability to economic and climate shocks are compounding each other and locking the countries into an eco-development trap of permanent disruption, economic precarity, unbearable debts and financial constraints. The greater the rise in global temperatures, the greater the damage to countries in the South and the longer it will take them to recover. To adapt to these changes, developing countries need climate finance, capacity building at the national, local and community levels, transfer of appropriate technologies and policy space to mobilize large-scale public investment to face climate threats, while ensuring these investments complement development goals. Unfortunately, in the current global juncture, the financial system and the design of mechanisms for international assistance are wholly inadequate for the challenges at hand, with the existing multilateral institutions unable to provide the much-needed support to the Global South. The international financial system and all mechanisms dealing with climate change must be aligned with the UNFCCC and Paris Agreement principles and provisions.

In this context, drawing on the discussions from the meeting organised by UNCTAD and South Centre on 25<sup>th</sup> October 2022 on "Building South-South Solidarity for Climate Adaptation", UNCTAD and South Centre believe that South-South solidarity is indispensable to ensure the needed international support for the Global South to break the eco-development trap, strengthen their climate adaptation capacities, and achieve sustainable development. UNCTAD and South Centre therefore urge developing countries to build South-South solidarity and common positions in climate negotiations in the UNFCCC and the Paris Agreement as well as in the trade and environment discussions at the WTO and other multilateral fora.

Coordination in actions around a common climate adaptation agenda is, in particular, urgently needed at the upcoming COP27. The core elements of such an agenda should include:

- (i) **Demand for financial support:** given the rising international climate finance gap, particularly for adaptation, demanding the fulfillment and further expansion of the commitments by the developed countries on climate finance in full consistency with the UNFCCC principles.
- (ii) **Facilitating green technology transfer:** declaring identified green technologies as 'public goods' and facilitating patent-free green technology transfers and dissemination through UNFCCC and other mechanisms.
- (iii) **Strengthening capacity building:** making additional efforts to strengthen institutional capacities such as coordination, monitoring and evaluation in climate adaptation, including institutionalizing the assessment of 'loss and damage' in the aftermath of climate calamities in the developing world for securing international financial support.
- (iv) **Shaping a positive trade and environmental agenda:**
  - Aligning the 'common but differentiated responsibilities' (CBDR) in the UNFCCC and the principle of 'Special and Differential Treatment' (S&DT) at the WTO for building capacities of developing countries for climate mitigation and adaptation.

- Proposing amendments to the existing trade-related environmental rules to prevent the adoption of unilateral punitive and other trade distorting actions (like the Carbon Border Adjustment Mechanisms implemented by the EU) and replacing them with a 'Positive Trade and Environment Agenda' as proposed by UNCTAD and South Centre.
- Creating an additional dedicated 'Trade and Environmental Sustainability Fund' to build capacities in the Global South for facing the climate change crisis.
- Taking the necessary actions to ensure that climate finance does not mean more debt burden for developing countries.
- Developing tax schemes that do not entail that developing countries ultimately pay for the climate crisis they have not created.

South-South Solidarity can influence the international debates around climate and development by emphasizing the need for adequate climate finance, patent-free green technology transfers, capacity building for climate adaptation and a positive trade and environment agenda.