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Climate Justice Perspectives on Climate Finance for COP29 UNFCCC

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Centering Climate Justice in COP29 Climate Finance Negotiations

At COP29, climate finance will play a pivotal role in discussions on achieving global climate goals. The scale of financing needed is significant, especially for climate-vulnerable countries. A justice-centered approach to climate finance is critical not only to meeting mitigation and adaptation targets, but also to rectifying deep-rooted inequalities. As many studies demonstrate, climate change disproportionately impacts women, Indigenous, Black, Brown, and low-income communities, and communities in the Global South.[1] The most recent Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report acknowledges that these global inequities place many low-income countries on the frontlines of climate impacts, despite contributing the least to global emissions.[2] As a result, countries that have benefitted little from fossil fuel-driven growth lack the necessary resources for climate mitigation, adaptation, and response to loss and damage.[3]

For example, African countries are responsible for only 3% of global emissions, yet the continent is warming at a faster rate than the global average.[4] In addition, two-thirds of new fossil fuel projects in Africa are carried out by foreign actors, with the majority focused on exporting to Western markets.[5] This fossil fuel expansion is another manifestation of colonial exploitation, which drives global emissions and further impairs low-income countries' ability to deal with climate costs.[6] Increasing frequency and severity of weather events have led some African nations to spend up to 9% of their annual GDP on unplanned responses to extreme weather.[7] The larger context of climate finance must recognize these historical and ongoing social, economic, and environmental inequalities, in which wealthy nations continue to profit at the expense of climate-vulnerable nations.

At COP29, an ambitious agreement on a New Collective Quantified Goal on climate finance (NCQG) is critical for meeting the goals of the Paris Agreement and addressing inequitable climate impacts. Research indicates that just 23 countries are responsible for

[1] Smith, G. S. et al. "Climate Change, Environmental Disasters, and Health Inequities: The Underlying Role of Structural Inequalities. Current environmental health reports." *Current Environmental Health Reports*, March 2022. [LINK]
[2] Intergovernmental Panel on Climate Change. "Climate Change 2023 Synthesis Report. Summary for Policymakers." *IPCC*, 2023. [LINK]
[3] Tietjen, Bethany. "Many of the world's poorest countries are the least polluting but the most climate-vulnerable. Here's what they want at COP27." *PBS*, November 2022. [LINK]
[4] Ritchie, Hannah. "Who has contributed most to global CO2 emissions?" *Our World in Data*, October 2019. [LINK] ; "Africa faces disproportionate burden from climate change and adaptation costs." *World Meteorological Organization*, September 2024. [LINK]
[5] Schücking, Heffa. "Who is Financing Fossil Fuel Expansion in Africa?" *#StopEACOP et al.*, November 2022. [LINK]
[6] Llavero-Pasquina, Marcel, et al. "The political ecology of oil and gas corporations: TotalEnergies and post-colonial exploitation to concentrate energy in industrial economies." *Energy Research & Social Science*, March 2024 [LINK]
[7] "State of the Climate in Africa, 2023." *World Meteorological Organization*, 2024. [LINK]

50% of all historical emissions.[8] These wealthy, industrial nations have a responsibility to redistribute their profits from carbon-intensive industries to support adaptation, loss and damage, mitigation efforts, community-led solutions, and resilience projects.[9] Currently, countries who have reported the most climate finance contributions to low-income nations have predominantly issued them via loans at market-rate interest that generate profit at the expense of the loanees.[10] These place climate-vulnerable nations in billions of dollars of debt, which allows affluent, often high-emitting Western nations to extract wealth at the expense of climate goals.[11] 60% of low-income countries are in, or are on the verge of debt distress, with few avenues for debt relief.[12] Furthermore, low-income countries spend more than five times on external debt payments than they do on climate adaptation, demonstrating how the current loan servicing system undermines climate justice.[13]

An ambitious NCQG with strong mechanisms to prioritize equitable redistribution is critical for achieving the goals of the Paris Agreement. At COP29, low-income countries are demanding a baseline of $1 trillion in annual support, a quantum roughly ten times larger than the existing $100 billion commitment, which was neither needs-based nor calculated primarily by scientific evidence.[14] This sum will serve as a downpayment for mitigation, adaptation, and addressing loss and damage that have been exacerbated by carbon-intensive economic growth in wealthy countries. $300 billion of this should be annually earmarked for mitigation, so that countries can enact an immediate phaseout of fossil fuels.

In addition to the quantity of NCQG commitments, COP29 discussions must focus on the quality of climate finance mechanisms to ensure that finance is issued in the form of public grants that do not place undue financial burdens on indebted nations. Establishing a rights- and needs-based approach to funding determinations can ensure that climate

[8] Popvich, Nadja, and Brad Plumer. "Who Has the Most Historical Responsibility for Climate Change?" *New York Times*, November 2021 [LINK]
[9] "US$5 trillion owed to Global South by Global North due to the climate crisis." *Climate Action Network International*, September 2024. [LINK]
[10] Casado Sanchez, Irene, and Jackie Botts, . "A program meant to help developing nations fight climate change is funneling billions of dollars back to rich countries." *Reuters*, Mary 2024. [LINK]
[11] Woolfenden, Tess. "Lower-income countries have paid out $2.7 trillion in interest payments since 1970." *Debt Justice*, November 2023. [LINK] ; "International Debt Statistics." *World Bank Group*, Accessed: November 2024. [LINK]
[12] Merling, Lara et al. "The Rising Cost of Debt: An Obstacle to Achieving Climate and Development Goals." *Center for Economic and Policy Research*, April 2024. [LINK]
[13] "Lower income countries spend five times more on debt payments than dealing with climate change." *Jubilee Debt Campaign*, October 2021. [LINK]
[14] Schalatek, Liane. "Decision for New Climate Finance Goal at COP29 Will Mark the Future of Climate Justice and Equity in the Multilateral Climate Regime." *Heinrich-Böll-Stiftung*, October 2024. [LINK] ; "What is climate finance?" *The London School of Economics and Political Science*, February 2023. [LINK]

finance is effective and equitable. In particular, COP29 discussions must focus on climate finance mechanisms that center on climate justice principles and include women's leadership, gender-responsive policies, the Care Economy, Indigenous Peoples' sovereignty and rights, a Just Transition, and community-led solutions.

Funding Women's Climate Leadership

Women, in all of their diversity, are essential actors in climate solutions, custodians of ancestral knowledge, and critical players in land stewardship.[15] The United Nations reports that community projects involving women are more resilient and have more effective capacity-building strategies.[16] However, women often face a disparate burden of climate impacts and are barred from decision-making processes.[17] Studies show that women's bodies are more susceptible to dangerous side effects of climate impacts like toxic pollution, rising heat, and poor water quality.[18] Regardless, women, particularly those from frontline communities, are leaders of innovative climate solutions.[19] Women remain critical stewards of biodiversity, produce 80% of the world's wild vegetable food, and keep the majority of traditional medicine knowledge.[20]

Supporting women in all their diversity and ensuring their involvement in climate decision-making are essential steps toward more effective and equitable climate solutions. Research from Sustainable Development underscores the vital role of women in combating the climate crisis, showing that a one-unit increase on the index of Women's Political Empowerment correlates to an 11.5% decrease in the country's CO_2 emissions.[21] Furthermore, research has shown that countries with higher female parliamentary representation are more likely to ratify international environmental treaties.[22] Yet, women often lack access to the resources needed to scale their efforts. Although some significant climate funds have started to integrate gender analyses into their lending strategies, women's climate leadership remains drastically underfunded. Reportedly, only

[15] "Why Women." *Women's Earth and Climate Action Network International*. [LINK]
[16] "Five Reasons Why Climate Action Needs Women." *United Nations Climate Change*, March 2023. [LINK]
[17] "Explainer: How gender inequality and climate change are interconnected." *UN Women*, February 2022. [LINK]
[18] Hemshekhar, Mahadevappa. "Sex Dimorphism of Allergen-Induced Secreted Proteins in Murine and Human Lungs." *National Library of Medicine*, June 2022. [LINK] ; Desai, Zalak and Ying Zhang . "Climate Change and Women's Health: A Scoping Review." *National Library of Medicine*, September 2021. [LINK]
[19] "Why women are key to climate action." *United Nations*. [LINK]
[20] Nunn, Michelle. "Women hold the solutions to tackling climate change and hunger. Just ask them." World Economic Forum, September, 2024. [LINK] ; "Rural women help preserve biodiversity." *UN Environment Programme*, March 2017. [LINK]
[21] Zhike Lv, Chao Deng. "Does women's political empowerment matter for improving the environment? A heterogeneous dynamic panel analysis." *Sustainable Development*, January 2019. [LINK]
[22] Mavisakalyan, Astghik, Tarverdi, Yashar. "Gender and climate change: Do female parliamentarians make difference?" *European Journal of Political Economy*, January 2019. [LINK]

.04% of Official Development Assistance has gender equality as a primary objective.[23] Investing in women's leadership is not only a matter of justice; it is also a strategic investment in the effectiveness and sustainability of climate solutions. A 2023 UN Climate Change report found that gender-responsive approaches resulted in more effective outcomes for adaptation finance.[24]

At COP29, governments should center women's leadership and gender-responsive climate finance by:

- Allocating dedicated funds for women's climate leadership, ensuring that women-led initiatives receive the financial support necessary for long-term impact.
- Creating gender-responsive climate finance mechanisms that prioritize women's participation in decision-making processes, ensuring their voices are central in designing climate solutions.
- Building capacity through training programs to provide women leaders with the tools and knowledge they need to navigate complex climate finance landscapes.
- Collecting gender-disaggregated data on climate needs assessments and adopting gender-responsive adaptation objectives.

Integrating the Care Economy into Climate Finance

The Care Economy—comprising paid and unpaid care work, including healthcare, childcare, eldercare, and education—is a necessary part of a gender-just transition to a healthy and equitable future. Although care work is foundational to the functioning of societies and economies, it is often undervalued and underfunded.[25] Care work is largely carried out by women, especially those who are marginalized by factors like racial discrimination, migration status, and poverty.[26] According to International Labour Organization research, women across the globe perform over three times as much unpaid care labor as men.[27] Climate change only exacerbates existing gender inequalities in care work by placing undue strain on food systems, water access, and public health. In many regions, women and girls are disproportionately responsible for securing food, water, and fuel, which can jeopardize access to education and the paid workforce.[28]

[23] "Development Co-operation Report 2024" *OECD*, July 2024 [LINK]
[24] "Progress, good practices and lessons learned in prioritizing and incorporating gender-responsive adaptation action." *United Nations Climate Change*, 2023. [LINK]
[25] "Inequality and the Care Economy." *Inequality.org*, Accessed: November 2024. [LINK]
[26] "Care: A critical investment for gender equality and the rights of women and girls." *UN Women*, October 2024. [LINK]
[27] Addati, Laura et al. "Care work and care jobs for the future of decent work." *International Labour Organization*, June 2018. [LINK]
[28] "Harnessing the Power of Data for Girls: Taking stock and looking ahead to 2030." *UNICEF*, October 2016. [LINK]

Care work, which is considered a low-carbon sector, is critical to ensuring that societies are equipped to manage escalating climate impacts.[29] Displacement, resource scarcity, and climate-related health impacts increase the burden on society, with some estimates showing that the demand for paid care will nearly double between 2015 and 2030.[30] In turn, investments in care infrastructure can amplify economic and social benefits. According to several studies, investing $1.3 trillion into the care economy would yield $3.1 trillion GDP in returns.[31] Redistributing care work can also increase women's participation in the paid economy, with one European study estimating that even partial childcare assistance could increase women's employment by up to 32% in some countries.[32] Valuing care as a public good can also enable investments in new economic models that shift away from the production-based economy reliant on resource extraction, and instead move towards locally-based circular economies that are reciprocal and regenerative.[33] Notably, redistributing care work can bolster inclusivity of the climate transition and has been shown to increase women's participation in key sectors, such as renewable energy.[34] It is also an opportunity to examine other economic models that are not based on GDP or other extractive concepts of development. For example, *Buen Vivir*, which roughly translates to "good living," is a social philosophy originating from the Quechua Peoples of the Andes.[35] Centered on community well-being and harmony with nature, *Buen Vivir* presents an effective ecological and economic framework for Just Transition pathways.

Climate finance is a key tool for addressing the systemic inequalities of women with unpaid labor, and governments at COP29 should include provisions that bolster the care economy by:

- Prioritizing investments in resilient social infrastructure, such as healthcare and education, to support communities as they adapt to climate impacts.
- Funding community care initiatives that build local capacity to respond to climate disasters, ensuring that care work, particularly performed by women, is recognized and compensated.
- Linking care economy investments to adaptation and resilience planning, recognizing that social resilience is a cornerstone of climate resilience.

[29] "Unpacking the care society: Caring for people and the planet." *UN Women*, November 2023. [LINK]
[30] "Financing the Care Economy In the Global South: Investment Opportunities and Pathways." *AVPN*, October 2023. [LINK]
[31] "The Future of the Care Economy." *Centre for New Economy and Society*, March 2024. [LINK]
[32] "Increasing early childhood education and care participation can promote women's employment." *Joint Research Centre*, March 2023. [LINK]
[33] "A Green and Caring Economy: Key Messages." *Women's Budget Group*, November, 2022. [LINK]
[34] Grantham, Kate. "Mapping the Intersection of Women's Economic Empowerment, Care Work and Clean Energy." ISSUU, November 2022. [LINK]
[35] Villalba, U. "Buen Vivir vs Development: A Paradigm Shift in the Andes?" *Routledge Taylor and Francis Group*, September 2013. [LINK]

- Financing climate-resilient agricultural systems to address the food crisis, promoting women-led initiatives for improved forest management, soil restoration, and sustainable food production.

Supporting Indigenous Peoples as Essential Climate Solution Leaders

Indigenous Peoples manage some of the world's most biodiverse ecosystems, and their traditional knowledge systems are critical to addressing the climate crisis.[36] Despite this, they often face barriers to accessing climate finance. Reports show that less than 1% of international climate funding has gone directly to Indigenous Peoples.[37] The survival of ecosystems critical to global climate goals depends on the leadership of Indigenous Peoples, with the financial resources and political support needed to protect their lands and cultures, and whose sovereignty and rights must be respected.

In 2022, the IPCC officially named colonialism as one of the key drivers of the climate crisis, aggregating findings from hundreds of studies on the links between Indigenous sovereignty and climate resilience.[38] Studies have long demonstrated that Indigenous sovereignty is one of the most effective and low-cost climate solutions, as Indigenous-managed land absorbs more carbon, suffers less deforestation, and stewards a majority of the planet's biodiversity.[39] For example, a peer-reviewed study on the Brazilian Amazon found that granting legal recognition and collective land rights in Indigenous territories led to a 66% decrease in border deforestation.[40]

Since time immemorial, Indigenous communities have maintained practices that cultivate healthy, climate-resilient ecosystems.[41] A growing body of evidence has demonstrated that while many market-based climate solutions have been ineffective, Indigenous Knowledge is foundational to climate adaptation strategies.[42] For example, many Indigenous communities across the globe maintain fire stewardship practices, including

[36] "Indigenous knowledge is crucial in the fight against climate change – here's why." *UNDP*, July 2024. [LINK]
[37] Falling Short: Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011–2020)." *Rainforest Foundation Norway.* [LINK]
[38] "IPCC Sixth Assessment Report: Impacts, Adaptation and Vulnerability." *IPCC*, February 2022. [LINK]
[39] Ding, Helen et al. "Climate Benefits, Tenure Costs: The Economic Case For Securing Indigenous Land Rights in the Amazon." *World Resources Institute*, October 2016. [LINK] ; "Empowering Indigenous Peoples to Protect Forests." *World Bank Group*, August 2023. [LINK]
[40] Baragwanath, Kathryn and Ella Bayi. "Collective property rights reduce deforestation in the Brazilian Amazon." *PNAS*, August 2020. [LINK]
[41] "Indigenous knowledge is crucial in the fight against climate change – here's why." *UNDP*, July 2024. [LINK]
[42] "False Solutions: Climate Colonialism and Tragedy of the Commons." *Asia Pacific Forum on Women, Law, and Development*, 2023. [LINK] ; Jessen, Tyler et al. "Contributions of Indigenous Knowledge to ecological and evolutionary understanding." Frontiers in Ecology and the Environment. November, 2021 [LINK]

prescribed burning to mitigate wildfire risk.[43] These practices were widely banned or suppressed by colonial governments, including the United States,[44] Canada,[45] and Australia,[46] only to be reinstated in the past decade to mitigate wildfires, which are being exacerbated by climate change.[47] Research has demonstrated that restoring Indigenous fire stewardship not only reduces wildfire risk, but can also support ecological restoration and socio-economic development.[48] Climate finance must prioritize Indigenous Peoples rights, including the rights to self-determination and land tenure, in order to meet CO_2 emission reduction targets.[49]

The leadership of Indigenous Peoples is critical to implementing effective climate solutions. Climate finance negotiations at COP29 must center respect for the rights of Indigenous Peoples by:

- Establishing dedicated climate finance windows for Indigenous-led projects, ensuring that Indigenous communities can lead climate programs in their own communities
- Protecting Indigenous Peoples rights and ensuring that climate finance supports the legal recognition and protection of Indigenous territories, which are critical carbon sinks and biodiversity hotspots.
- Adopting stringent policies and monitoring systems to uphold the right to Free, Prior, and Informed Consent (FPIC) in climate finance practices.
- Facilitating direct access to climate finance for Indigenous Peoples, minimizing bureaucratic barriers and ensuring that funds flow directly to communities rather than through intermediaries.

Redirecting Funds Away From Climate Destruction

Many approaches to climate finance overlook the root causes of global temperature rises and the disproportionate impacts on women, Indigenous, Black, Brown, and low-income communities, and communities in the Global South. At COP29, it is critical that

[43] Hoffman, Kira. "The right to burn: barriers and opportunities for Indigenous-led fire stewardship in Canada." *Facets*, March 2022. [LINK]
[44] Shapiro, Ari et al. "For over a century, California banned Indigenous cultural fires. Now, that's changing." *NPR*, December 2021. [LINK]
[45] "How cultural burning enhances landscapes and lives." *BC Wildfire Service*, May 2022. [LINK]
[46] Mariani, Michela. "Higher fuel loads and more fire follow removal of Indigenous cultural burning across southeast Australia." *PAGES*, 2022. [LINK]
[47] Jurney, David H., et al. "Lessons from a Programmatic Agreement and Heritage-Based Consultations between Tribes and the National Forests of Arkansas and Oklahoma." *Journal of Forestry*, September 2017. [LINK]
[48] Marks-Block, Tony. "Effects of understory fire management treatments on California Hazelnut, an ecocultural resource of the Karuk and Yurok Indians in the Pacific Northwest." *Forest Ecology and Management*, October 2019. [LINK]
[49] "Indigenous Peoples and the Race to secure self-determined finance." *United Nations Framework Convention on Climate Change*, Accessed: November 2024. [LINK]

governments reject false solutions that would continue financing carbon-intensive industries. False solutions are climate strategies that rely on environmental degradation and human rights violations, and are often unsuccessful at significantly reducing greenhouse gas emissions. Examples of false solutions include carbon markets, Nature-based Solutions, hydrogen power, geoengineering, bioenergy, waste-to-energy, high-impact hydroelectricity, and Carbon Capture and Storage.[50] These "solutions" do not stop pollution at the source, and instead enable fossil fuel proliferation, human rights violations, and the commodification of nature.[51]

The IPCC has concluded that burning fossil fuels is the predominant driver of the climate crisis, and leads to disparate impacts in marginalized populations based on gender, ethnicity, and low-income status.[52] WECAN's 2024 report, *"Gendered and Racial Impacts of the Fossil Fuel Industry in North America and Complicit Financial Institutions,"* explores these inequitable impacts in further detail.[53] False solutions like carbon markets have not been proven to reduce emissions and continue to perpetuate fossil fuel-related human rights abuses.[54] A 2023 study examining almost 300 carbon offset projects found that misleading claims and unscientific methodologies led to pervasive over-crediting.[55] Furthermore, a Bloomberg investigation reported that nearly 40% of carbon offsets purchased in 2021 were in the form of renewable energy projects that did not remove or avoid any emissions.[56]

At COP28, governments agreed to move away from fossil fuels in a swift, just, and equitable transition.[57] However, wealthy Western nations continue to lead global fossil fuel expansion, with only five countries responsible for over two-thirds of new oil and gas licenses issued globally since 2020.[58] Weak climate commitments with persistent

[50] Amorelli, L., et al. "Hoodwinked in the Hothouse." *Climate False Solutions*, April 2021. [LINK]
[51] Fankhauser, S., Smith, et al. "The Meaning of Net Zero and how to get it right." *Nature Climate Change*, December 2021. [LINK]
[52] Freund, Paul, et al. "IPCC Special Report on Carbon dioxide Capture and Storage." *IPCC*. [LINK] ; Pörtner, Hans, et al. "IPCC Sixth Assessment Report: Impacts, Adaptation and Vulnerability." *IPCC*, 2022. [LINK]
[53] "Gendered and Racial Impacts of the Fossil Fuel Industry in North America and Complicit Financial Institutions." *Women's Earth and Climate Action Network, International*, September 2024. [LINK]
[54] Lakhani, Nina. "Revealed: top carbon offset projects may not cut planet-heating emissions." *The Guardian*, September 2023. [LINK]
[55] Haya, Barbara K., et al. "Comprehensive review of carbon quantification by improved forest management offset protocols." *Frontiers in Forests and Global Change*, March 2023. [LINK]
[56] Rathi, Akshat, et al. "Junk Carbon Offsets Are What Make These Big Companies 'Carbon Neutral.'" *Bloomberg*, November 2022. [LINK]
[57] "COP28 Agreement Signals "Beginning of the End" of the Fossil Fuel Era." *United Nations Climate Change*, December 2023. [LINK]
[58] Milman, Oliver and Nina Lakhani. "Revealed: wealthy western countries lead in global oil and gas expansion." *The Guardian*, July 2024. [LINK]

loopholes allow these countries to continue investing in the fossil fuel industry while claiming to be climate leaders.[59]

A critical step towards moving away from fossil-fuel dependent economies is ending publicly funded subsidies for fossil fuels that offset the real cost of petroleum and crude oil. Fossil fuel subsidies rose to $7 trillion in 2023, and continue to distort global markets, enabling the persistence of a carbon-intensive economy.[60] Unsurprisingly, studies have found that fossil fuel subsidies increase emissions, with high-subsidy countries emitting 11.4% more than high-tax countries.[61] Funds must also be redirected away from high-emitting industries that exacerbate global conflict, monopolize funding sources, and perpetuate environmental degradation. For example, military spending reached an all-time high in 2023, with governments investing $2.4 trillion annually in military expenditures.[62] In addition to undermining human rights and global stability, the military-industrial complex is one of the world's heaviest emitters. Some estimates show that global militaries are responsible for 5.5% of the world's emissions, which equates to the fourth largest national carbon footprint in the world.[63] Diverting even a small percentage of funds from these institutions can catalyze critical financing for real climate solutions.

It is critical that governments at COP29 reject financing opportunities that are not proven to reduce emissions and enable fossil fuel proliferation by:

- Phasing out fossil fuel subsidies, carbon market schemes, and other false solutions that are not proven to reduce CO_2 emissions at the speed and scale necessary to meet the Paris Agreement, and that continue to enable the proliferation of fossil fuel development.
- Ensuring transparent tracking and reporting of the reallocation of fossil fuel subsidies, demonstrating how these funds are being used to address the needs of vulnerable communities and support the transition to a low-carbon economy.

[59] "The Next Generation of National Climate Plans Must Phase Out Fossil Fuels." *International Institute for Sustainable Development*, September 2024. [LINK]
[60] "Tracking the impact of government support: fossil fuel subsidies." *IEA 50*, Accessed: November 2024. [LINK]; Black, Simon, et al. "Fossil Fuel Subsidies Surged to Record $7 Trillion." I*MF Blog*, August 2023. [LINK]
[61] Arzaghi, Mohammad and Jay Squalli. "The environmental impact of fossil fuel subsidy policies." *Energy Economics*, October 2023. [LINK]
[62] Tian, Nan, et al. "Trends in World Military Expenditure, 2023." *SIPRI*, April 2024. [LINK]
[63] "New estimate: global military is responsible for more emissions than Russia." *Conflict and Environment Observatory*, November 2022. [LINK]

- Creating a global fossil fuel subsidy phase-out fund that collects resources from phased-out subsidies and allocates them to climate justice initiatives, prioritizing projects led by frontline communities.
- Prioritizing climate finance mechanisms that support a transition to Real Zero by addressing the root causes of emissions and deprioritizing Net Zero strategies that over-rely on CO_2 removal.[64]
- Diverting funds away from costly and carbon-intensive industries such as military spending that are inherently tied to human rights violations and environmental degradation.

Financing a Just Transition and Real Climate Solutions

A Just Transition, the process of decarbonizing the economy in a fair and inclusive manner to ensure workers and communities are supported, must be a central goal of climate finance discourse at COP29. A Just Transition demands that the rights of communities, especially Indigenous communities and communities dependent on the fossil fuel industry, are fully respected.[65] In particular, community leadership is key to building resilience and achieving climate justice; therefore, climate finance must be redirected to support the solutions that are already being developed by those on the frontlines of the climate crisis.[66] Alternative economic models that support Just Transition pathways include Buen Vivir,[67] the Care Economy, Gross National Happiness,[68] circular economies,[69] and Doughnut Economics[70]. WECAN's 2024 report, *"The Need for Real Zero Not Net Zero: Shifting from False Solutions to Real Solutions and a Just Transition,"* explores these principles in further detail.[71]

Community-focused strategies are integral to effective and sustainable climate solutions. Small-scale farming and reforestation led by Indigenous Peoples and local communities are examples of community-led Just Transition strategies that can effectively address the climate crisis and present alternative models to extractive industries. These decentralized solutions are particularly valuable to the energy sector, where communities across the

[64] Estrada, Mary-Elizabeth, and Osprey Orielle Lake. "The Need for Real Zero Not Net Zero: Shifting from False Solutions to Real Solutions and a Just Transition." *Women's Earth and Climate Action Network, International*. [LINK]
[65] "Indigenous Principles of a Just Transition." *Indigenous Environmental Network*. [LINK]
[66] van der Schoor, Tineke, and Bert Scholtens. "Power to the people: Local community initiatives and the transition to sustainable energy." *Renewable and Sustainable Energy Reviews*, March 2015. [LINK]
[67] Villalba, U. "Buen Vivir vs Development: A Paradigm Shift in the Andes?" *Routledge Taylor and Francis Group*, September 2013. [LINK]
[68] "Oxford Poverty & Human Development Initiative." *Bhutan's Gross National Happiness Index*. [LINK]
[69] European Parliament. *Circular Economy: Definition, Importance and Benefits*, May 2023. [LINK]
[70] Raworth, K. Doughnut economics: Seven ways to think like a 21st-century economist. *Chelsea Green Publishing*, 2017. [LINK]
[71]

globe are fighting to democratize and localize renewable energy production.[72] Community-based systems not only work to redistribute decision-making power, but they can also address inequities embedded in the current energy market. For example, 1.18 billion people across the globe currently experience energy poverty, meaning they lack access to adequate, reliable, and affordable energy for necessary daily activities.[73] Women, Indigenous Peoples, low-income households, and climate-vulnerable communities are disparately affected by energy poverty, amplifying their vulnerability to climate impacts.[74] Case studies have demonstrated that citizen-centered energy cooperatives can lower energy costs, reduce energy poverty, and successfully electrify rural areas that were previously without access to modern energy services.[75]

Furthermore, decentralized energy production can be more resilient to climate impacts such as extreme weather events and peak energy demands.[76] Developing decentralized, community-owned renewable energy systems that respect Indigenous sovereignty, protect ecosystems, and benefit those historically marginalized by the fossil fuel economy is key to meeting the goals of the Paris Agreement.[77] In particular, women in all their diversity, are integral to the success of community-based Just Transition approaches, as women's participation in the energy sector has been linked to better transparency of greenhouse gas emissions, increased investments in renewable energy, and advancement of energy democracy goals.[78]

As NCQG negotiations progress, parties must recognize that business as usual is not a solution, particularly when investing in renewable energy and other decarbonization strategies. The transition to a zero-carbon economy must not perpetuate the same patterns of resource exploitation and environmental injustice inherent in fossil fuel production. Renewable energy projects, including mining for transition minerals, have

[72] Stephens, Jennie C. "Energy Democracy: Redistributing Power to the People Through Renewable Transformation." *Environment: Science and Policy for Sustainable Development*, February 2019. [LINK] ; Schwanitz, Valeria Jana, et al. "Statistical evidence for the contribution of citizen-led initiatives and projects to the energy transition in Europe." *Scientific Reports*, March 2023. [LINK]
[73] Min, Brian, et al. "Beyond access: 1.18 billion in energy poverty despite rising electricity access." *UNDP Data Futures Exchange*, June 2024. [LINK]
[74] Ngo Pouhe, Mathilde Stephanie. "Deploying Energy Justice for a Meaningful Inclusion of Indigenous Peoples in Energy Decision-Making." *The Power of Energy Justice & the Social Contract*, December 2023. [LINK]; "Women are more prone to energy poverty, a LIFE project reports." *European Climate, Infrastructure and Environment Executive Agency*, March 2024. [LINK] ; Awaworyi Churchill, Sefa, et al. "Energy poverty, temperature and climate change." *Energy Economics*, October 2022. [LINK]
[75] Parreño-Rodriguez Adelaida, et al. "Community energy solutions for addressing energy poverty: A local case study in Spain." *Energy and Buildings*, October 2023. [LINK] ; "Providing clean energy and energy access through cooperatives." *International Labour Office*, 2013. [LINK]
[76] Niklas, Sarah et al. "Resilient Buildings and Distributed Energy: A Grassroots Community Response to the Climate Emergency." *MDPI*, March 2022. [LINK]
[77] Alstone, Peter, et al. "Decentralized energy systems for clean electricity access." *Nature Climate Change*, March 2015. [LINK]
[78] Balke, Barbara, and Thomas Östros. "Business case for women's leadership." *European Investment Bank*, March 2023. [LINK] ; Allen, Elizabeth, et al. "Women's leadership in renewable transformation, energy justice and energy democracy: Redistributing power." *Energy Research & Social Science*, November 2019. [LINK]

been connected to widespread violations of Indigenous Peoples rights, illegal land grabs, environmental degradation, and poor labor conditions across the globe.[79] For example, the growing demand for cobalt used in electric vehicle batteries has enabled high rates of forced labor and child labor in the Democratic Republic of Congo, where over 60% of the world's cobalt is produced.[80] Additionally, land-intensive renewable energy projects, especially wind and solar, disparately impact Indigenous Peoples.[81] Reports demonstrate that violations of land rights and Indigenous Peoples rights account for the highest number of serious allegations related to project development in the renewable sector.[82] To achieve true sustainability, we must move beyond extractive models and ensure that renewable energy development is equitable, just, and accountable to frontline communities. Without these safeguards, the renewable transition risks perpetuating the same inequalities it seeks to resolve.

Climate finance at COP29 must prioritize equitable and effective climate solutions that are aligned with Just Transition principles by:

- Establishing a Just Transition fund that provides financial and technical support for workers transitioning out of the fossil fuel industry, ensuring they have access to new employment opportunities in sustainable sectors.
- Creating social safety nets to protect vulnerable workers and communities, including retraining programs, income support, and community revitalization projects.
- Enacting gender-sensitive approaches for increasing women's participation and leadership in the energy sector
- Implementing strong standards for renewable energy projects to ensure respect for the rights of Indigenous Peoples, uphold strong labor standards, and mitigate environmental harm.
- Funding community-led climate solutions that are tailored to local needs, ensuring that adaptation and mitigation strategies are grounded in the lived realities of communities most affected by climate change.
- Prioritizing models such as co-ownership and benefit sharing, especially with Indigenous communities, in the renewable energy sector.

[79] "Companies leading the transition to renewable energy are failing in human rights responsibilities." *Business and Human Rights Resource Centre*, June 2023. [LINK]
[80] "Cobalt Data Sheet - Mineral Commodity Summaries 2020." *U.S. Geological Survey, Mineral Commodity Summaries*, January 2020. [LINK]
[81] Fink, Catherine. "The Impact of the Renewable Energy Rush on Indigenous Peoples." *The Environment at 5280*, December 2023. [LINK]
[82] "Renewable Energy & Human Rights Benchmark." *Business and Human Rights Resource Centre*, 2023. [LINK]

- Strengthening participatory mechanisms in climate finance decision-making, allowing communities to design, implement, and evaluate climate solutions that align with their unique cultural, social, and environmental contexts.
- Supporting decentralized, locally-driven projects such as renewable energy cooperatives, sustainable agriculture, and ecosystem restoration initiatives, which can be scaled up with proper financial backing.

Advancing Climate Justice Through Climate Finance

As the world gathers for COP29, governments have a critical opportunity to reshape the climate finance landscape to prioritize justice and equity. By supporting women's leadership, gender-responsive policies, the care economy, Indigenous Peoples' sovereignty and rights, a Just Transition, and community-led solutions, climate finance can drive a more just and resilient future. Although the average annual climate finance flow reached $1.3 trillion in 2022, with significant increases in investment toward renewable energy and transport sectors, much more is needed to meet the goals of the Paris Agreement.[83] Experts have determined that wealthy countries have the means to mobilize well over $5 trillion annually to meet their own climate goals and contribute to the NCQG.[84] Climate-vulnerable countries are demanding a minimum of $1 trillion a year as a downpayment for the debt owed by high-emitting nations that have profited from fossil fuel-driven growth. A subgoal of $300 billion annually to finance mitigation strategies is a critical step toward equitably redistributing climate finance resources.

Furthermore, an ambitious NCQG must not only meet the quantitative need for mitigation, adaptation, and loss and damage, but it must also center rights- and needs-based approaches. Finance flows to false solutions, carbon-intensive industries such as the military-industrial complex, and fossil fuel subsidies must immediately end, and instead be redirected to real climate solutions that center community priorities and the leadership of women and Indigenous Peoples. At COP29, there is an opportunity to address the root causes of the climate crisis and fund alternatives to extractive, harmful, and ineffective practices. At a minimum, climate finance must be issued in the form of public grants, breaking the pattern in which high-emitting countries profit from the debt of climate-vulnerable nations. Governments must act to finance a Just Transition, which will be key to ensuring that no one is left behind in the global shift toward a sustainable,

[83] Buchner, Barbara, et al. "Global Landscape of Climate Finance 2023." *Climate Policy Initiative*, November 2023 [LINK]
[84] "Road to COP29: Shifting and unlocking trillions for a just energy transition." *Oil Change International*, September 2024. [LINK]

low-carbon economy. Climate justice must be the guiding principle in all climate finance discussions at COP29.