



Open CSO Advocacy letter: Petersberg Climate Dialogue (PCD) - May 6th - 7th

6 May 2021

Dear Federal Chancellor of the Federal Republic of Germany, **Dr Angela Merkel**

Dear Prime Minister, First Lord of the Treasury, Minister for the Civil Service, and Minister for the Union, The Right Honourable **Boris Johnson MP**

Dear First Minister of Scotland, **Nicola Sturgeon MSP**

Dear COP26 President, The Right Honourable **Alok Sharma MP**

We are writing to you ahead of the crucial 2021 Petersberg Climate Dialogue. We want to share our views on how to ensure that climate finance adequately contributes to supporting vulnerable communities' efforts to tackle climate change and develop sustainably, in a post Covid-19 context.

We welcome the UK COP26 Presidency's initiative to present a concept note to set up a task-force on greater access to climate finance at the Dialogue. In addition to tackling this issue, there are also a number of [other worrying trends](#) to be addressed.

One of the core objectives of the Least Developed Countries group is to have at least [70 per cent of climate finance going to support local-level climate action by 2030](#). Yet the priorities, concerns and realities of climate vulnerable countries are often not fully reflected in the agendas of the many fora convened to tackle climate change. For instance, we note that loss and damage isn't a topic of discussion at the Dialogue, despite it being identified as a priority for climate vulnerable countries. Oxfam's 2020 analysis of OECD data on climate finance shows that there is a [clear dichotomy between where climate finance is most needed and where it actually goes](#). In addition, the complexity of the climate finance landscape means that in some cases it is being [over-reported](#) by some climate finance providers to the tune of [US\\$3-4 billion](#), and [under-reported](#) by others. The OECD's own data also shows that the [majority of climate finance is provided in the form of loans](#), which increases a country's vulnerability to unsustainable debt levels.

For this year's Petersberg Climate Dialogue to be a success, **all developed countries should outline how they will fulfil the US\$100bn global climate finance goal, particularly G7 and G20 countries.**

As convenors of the Petersberg Climate Dialogue, we the undersigned call on you to deliver on the following:

Democratic country ownership of climate finance strategies is a necessity. For climate action to be equitable and driven by the needs of the most vulnerable, it is imperative that climate-vulnerable countries are empowered to design policies to suit their own specific circumstances and domestic needs, as opposed to the priorities of other economies. It is equally important to ensure that decision-making, policy and project development processes are inclusive, in order to support community-based policy development and implementation. Prioritising domestic policy design will also help to build trust, contribute to empowering domestic economies, and set a positive precedent for continued, equitable, sustainable development.

Public climate finance in the form of grants must be prioritised. Climate vulnerable countries have made it clear that their capacity to sustainably absorb loans has reached breaking point. Loans increase a country's vulnerability to debt, which reduces their ability to adapt and to address loss and damage, or to invest in public services and social protection. All of which sparks a cycle of i) climate-impacts induced debt, which leads to ii) debt-induced climate vulnerabilities, and repeats. It is crucial that climate-vulnerable countries have access to a stream of scalable and predictable public climate finance grants.

Greater access to climate finance is needed to minimise debt. Minimising debt through mandatory debt payments suspension and debt relief in the immediate aftermath of climate disasters, would allow climate vulnerable countries to redirect financial resources already in their accounts. However, this must be coupled with access to additional climate finance to address the gap created by redirecting their budgets to address the immediate extreme climate impacts they face. Such measures would increase their capability to carry out essential activities to adapt and address loss and damage, or to provide public services in the wake of extreme climatic events.

Countries must increase finance for adaptation and to address ongoing losses and damages. Vulnerable countries have identified that they urgently need access to adaptation finance, including to support adaptation efforts on water, agriculture and coastal protection. Countries also need access to address severe losses and damages. Yet figures from the OECD show that 72 per cent of public and private climate finance currently goes to mitigation, highlighting that other areas of need are being severely under-supported.

Climate finance must be gender-responsive. For this to happen, gender analyses must be conducted to determine the differing needs and interests in society, accessibility to finance mechanisms, and power dynamics. Without this, it will be harder to support women and girls who are impacted by climate change in different ways, and who are often the core implementers of community-based climate action. Funds should also be disbursed to female-led organisations in local communities. Countries should also institutionalise engagement and participation processes and make it customary

for all relevant stakeholders, especially marginalised groups within society including women and indigenous groups, to engage in policy and project development and implementation.

We look forward to the Petersberg Climate Dialogue delivering outcomes that enhance the quality, quantity and composition of climate finance, in order to enable vulnerable countries and communities to address ongoing losses and damages, adapt to climate change, and to become core members of the renewable energy transition.

We would also welcome the opportunity to share these points with you in a meeting ahead of the [UNFCCC Climate Change Conference sessions of the subsidiary bodies \(May – June 2021\)](#).

Yours sincerely,

1. ActionAid International
2. African Forum and Network on Debt and Development
3. Alliance Sud
4. Both ENDS
5. Bulgarian Gender Research Foundation
6. Croatian Platform for International Citizen Solidarity
7. Estonian Roundtable for Development Cooperation
8. Eurodad
9. Jubilee Debt Campaign
10. Jubilee Scotland
11. KOO - Co-ordination Office of the Austrian Bishops' Conference for International Development and Mission
12. Lithuanian NGDO Platform
13. Observatori del Deute en la Globalització
14. SLOGA Slovenian NGO platform for development, global education and humanitarian aid
15. Stamp Out Poverty