

A green transition that leaves no one behind

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We are urgently working to deliver more for people and the planet. Multiple, overlapping shocks have strained countries' ability to address hunger, poverty and inequality, build resilience and invest in their futures. Debt vulnerabilities in low and middle-income countries present a major hurdle to their economic recovery, and to their ability to make critical long-term investments.

We are urgently working to fight poverty and inequalities. An estimated 120 million people have been pushed into extreme poverty in the last three years and we are still far from achieving our United Nations Sustainable Development Goals by 2030. We should thus place people at the center of our strategy to increase human welfare everywhere on the globe.

We want a system that better addresses development needs and vulnerabilities, now heightened by climate risks, which could further weaken countries' ability to eliminate poverty and achieve inclusive economic growth. Climate change will generate larger and more frequent disasters, and disproportionately affect the poorest, most vulnerable populations around the world. These challenges cross borders and pose existential risks to societies and economies.

We want our system to deliver more for the planet. The transition to a 'net zero' world and the goals of the Paris Agreement presents an opportunity for this generation to unlock a new era of sustainable global economic growth. We believe that just ecological transitions that leave no one behind can be a powerful force for alleviating poverty and supporting inclusive and sustainable development. This requires long-term investment everywhere to ensure that all countries are able to seize this opportunity. Inspired by the historic Kunming-Montreal Global Biodiversity Framework, we also need new economic models which recognize the immense value of nature for humanity.

We are convinced that poverty reduction and protection of the planet are converging objectives. We must prioritize just and inclusive transitions to ensure that the poor and most vulnerable can fully reap the benefits of this opportunity, rather than disproportionately bearing the cost. We recognize that countries may need to pursue diverse transition paths in line with the 1.5°Celsius degree limit depending on their national circumstances. There will be no transition if there is no solidarity, economic opportunities, or sustainable growth to finance it.

We, Leaders of diverse economies from every corner of the world, are united in our determination to forge a new global consensus. We will use the Paris Summit on June 22 and 23 as a decisive political moment to recover development gains lost in recent years and to accelerate progress towards the Sustainable Development Goals including just transitions. We are clear on our strategy: development and climate commitments should be fulfilled and,

in line with the Addis Ababa Action Agenda, we recognize that we need to leverage all sources of finance, including official development assistance, domestic resources, and private investment.

Delivering on that consensus should start with existing financial commitments. Collective climate finance goals must be met in 2023. Our total global ambition of USD 100 billion of voluntary contributions for countries most in need, through rechanneling of special drawing rights or equivalent budget contributions, should also be reached.

No country should have to wait years for debt relief. We need greater and more timely cooperation on debt, both for low and middle-income countries. This starts with a swift conclusion of solutions for debt-distressed countries.

A top priority is to continue ambitious reform of our system of multilateral development banks, building on the existing momentum. We are asking development banks to take responsible steps to do much more with existing resources and to increase financing capacity and private capital mobilization, based on clear targets and strategies in terms of private finance contribution and domestic resource mobilization. These financial resources are essential, but this reform is about far more than money. It should deliver a more effective operational model, based on a country-led approach. We also need our development banks to work together as an ecosystem, closely with other public agencies and streamlined vertical funds, and where appropriate with philanthropists, sovereign wealth funds, private finance and civil society to deliver the greatest impact.

Technology, skills, sustainability and public and private investment will be at the core of our partnerships, to promote voluntary technology transfer, a free flow of scientific and technological talents, and contribute to an inclusive, open, fair and non-discriminatory economy. We will promote an agenda of sustainable and inclusive investment in developing and emerging economies, based on local economic value added and local transformation, such as fertilizer value chains. This comprehensive approach will require new metrics to update our accountability instruments.

Public finance will remain essential to achieving our goals. We should start with strengthening our instruments (International Development Association, IMF's Poverty Reduction and Growth Trust and Resilience and Sustainability Trust, International Fund for Agricultural Development, Green Climate Fund and other concessional windows of our banks, as well as the Global Shield against Climate Risks). But we acknowledge that meeting our development and climate goals, including the fight against hunger, poverty and inequality, adapting to climate change, averting, minimizing, and addressing loss and damage, will require new, innovative and sustainable sources of finance, such as debt buy-backs, engagement from sectors that prosper thanks to globalization and more trusted carbon and biodiversity credit markets.

Increasing resilience through a comprehensive suite of financial instruments is a priority. We need a stronger global safety net, based on pre-arranged approaches, to adapt and mitigate the impacts of climate change, especially when disasters hit. This implies climate and other disaster-resilient deferral mechanisms, insurance nets and emergency response financing, including a more sustainable financing model of humanitarian aid.

Achieving our development goals, including climate mitigation, will also depend on scaling up private capital flows. This requires enhanced mobilization of the private sector with its financial resources and its innovative strength, as promoted by the G20 Compact with Africa. This also requires improving the business environment, implementing common standards and adequate capacity building, reducing perceived risks, such as in foreign exchange and credit markets. This may require public support, as well as sharing reliable data. Overall, our system needs to lower the cost of capital for sustainable development, including through the green transition in developing and emerging economies.

Our work together is all about solidarity and collective action, to reduce the challenges facing developing countries and to fulfill our global agenda. We will continue to press for progress, leveraging other important events, including the G20 Summits in India and Brazil, the SDG Summit, and the COPs, starting with COP28 in the United Arab Emirates this year. In all of our upcoming international works and negotiations, we will seek to advance concrete actions that deliver on the promise of the SDGs, for our prosperity, people and planet.