

**SUBMISSION OF THE INSTITUTE FOR SOCIOECONOMIC STUDIES (INESC) ON  
THE BAKU TO BELÉM ROADMAP  
SEPTEMBER 10TH, 2025**

Inesc takes this time to thank the secretariat and the presidencies of the sixth and seventh sessions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, for opening another round of consultations on the Baku to Belem Roadmap.

Recalling that the Convention stipulates the principle of common but differentiated responsibilities, when it comes to the commitments and what needs to be made by developed countries and the combat to climate change. And that Article 3 dictates that developed parties shall provide financial resources to ensure that developing parties meet their obligations with the national inventory of emissions, a description of what is being done to implement the Convention and other information relevant to the achievement of the Convention goals. Besides that, the Convention defines a mechanism for the provision of financial resources from grants or concessions, including technology transfer.

And that the Paris Agreement, on the other hand, in its article 2.1c talks about making financial flows compatible with a trajectory of low emissions, and article 9 discusses the obligation that developed parties must provide financial resources for developing countries, the incentives other parties have to commit financially, the leadership of developed countries to mobilize climate finance and the necessary balance between mitigation and adaptation.

The NCQG decision in 2024 was short on 1T dollars annually, which left developing countries angry at the lack of commitment, but the text also made the way for the Roadmap. As an observer organization to UNFCCC, we attended the 62th Subsidiary Bodies meeting in Bonn this year, where consultations were also held. But at this time the process was very exclusionary and not very consultative, once the meetings were mostly with speakers presenting their point of view for  $\frac{3}{4}$  of the time, and the rest of it was disputed among the parties that wanted to influence the process, and if there was time left constituencies were allowed to speak.



On this occasion, many representatives of governments and civil society have already highlighted the nature of how this process is unfolding. This construction, even though non-negotiable, should be inclusive and attentive to the demands of civil society, social movements and indigenous peoples and local communities.

When discussing climate finance priorities in the context of the Roadmap, especially for developing countries, in the short term there needs to be a simplification of the processes involving indigenous peoples and local communities' access to financial resources. This is critical because it represents a gap in financial structure, when it comes to funds getting to the communities that are largely the ones responsible for conserving the environment. Either the money does not arrive, or it arrives with conditions that bind the communities and amounts that are not enough for them.

In the long term it is necessary to reform the architecture of the international financial system. A reform in the multilateral development banks, so as to include climate change actions as part of the business model and portfolio. It can be done by adding climate change clauses in the projects and environmental and social safeguards, changing the structure of the banks to prioritize climate actions projects and programmes. And in the tax system, it is imperative that progressive tax systems are implemented, to reduce inequalities and generate new public financial resources.

For far too long adaptation measures have been sidelined in detriment of mitigation, but climate extreme events have been proving to the world that adaptation is equally important. But for that, financing must be available in every source, with financial flows directed specifically to adaptation actions, so the money needs to go to the areas in which those are most needed, usually the most vulnerable ones. There needs to be an increase in portfolios from development banks that address adaptation as its main goal, at least in equal parts with mitigation projects.

One proposal Inesc has to mobilize more resources to finance climate actions is the phasing out of fossil fuel subsidies, according to IISD governmental support to fossil fuels was of 1,5T dollars in 2023, a sector that is largely responsible for climate change. The gradual reduction of subsidies would not only destimulate fossil fuels production and create revenue to climate actions.

The United Nations Framework Convention on International Tax Cooperation, currently under negotiation, is being perceived as the largest change in the global taxation system and an unique opportunity to avoid the annual loss of revenue due to fiscal abuse.



It also makes it possible to establish equity in developing countries, amongst other things to contribute to the progressive realization of human rights and the SDGs and to bring more ambition to the Paris Agreement.

In summary, it is important to take into account that to achieve the amount needed for climate action on a global scale, multiple sources and modalities of financing must come into play, as well as different actors. The private sector has a huge role in expanding their investment portfolios as well as diversifying their activities towards a climate oriented standard.

But that does not mean that public finance is sidelined, because it needs to be a part of the conversations, especially in the mobilization of financing from developed to developing countries. Common but differentiated responsibilities must be respected and developed countries must contribute to the implementation of climate actions of developing countries. For that, the Baku to Belém Roadmap needs to include public finance as one of its pillars, respecting Article 9.1 of the Paris Agreement, and ensuring that developed countries truly commit, instead of only mobilizing.

