

Juquitiba, São Paulo State, Brazil

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To: UNFCCC - climatefinance@unfccc.int

Yalchin Rafiyev - COP29 Chief Negotiator

Liliam Chagas - COP30 Lead Negotiator

Subject: Contribution of Fundo Casa Socioambiental (Brazil) to the Baku to Belém Roadmap to 1.3T

Dear Yalchin Rafiyev and Liliam Chagas,

On behalf of the Casa Socio-Environmental Fund, a philanthropy based organization, I am pleased to submit our short contribution to the Baku to Belém Roadmap to 1.3T.

The attached document is quite short, in spite of the fact that CASA Socio-Environmental Fund, founded in 2025, could have presented a more detailed contribution. However, we are available to share more lessons and insights we have acquired after two decades of financing local groups, indigenous people and environmental defenders in South America.

We look forward to work with the UNFCCC, Parties and observers, so as to ensure that the Road Map results in a big step to address and to implement climate finance.



CRISTINA ORPHEO
Executive Director

Contribution of Fundo Casa Socioambiental (Brazil) to the Baku to Belém Roadmap to 1.3T

Introduction

The Casa Socio-Environmental Fund is an organization that promotes environmental conservation and sustainability, democracy, respect for socio-environmental rights and social justice through financial support to civil society initiatives and by strengthening their capacities in South America. We have pioneered the debate on socio-environmental philanthropy in Brazil since 2005. Our mission is to generate a positive impact on very diverse territories, investing in the lives of those who care for them, and establishing connections between communities and organizations.

To this end, we developed a powerful support network for small civil society initiatives — a network that mobilizes funds, provides support and strengthens capacities, thus ensuring increasing autonomy for groups spread all over South America. We believe change begins by listening, and we listen to the real protagonists of every cause we embrace: those whose lives are directly affected by any change in their territories.

We are partners of philanthropic organizations that want to support grassroots communities but find it hard to reach those groups directly. We are experienced in making sure that philanthropic funds will reach the community groups. For this, we have developed a supporting and monitoring methodology that takes into account the dynamics of the territories.

Among the principles that guide our activities and perspectives on the challenges of the transition towards sustainable development, we highlight some that are associated with Principle 10 of the Rio de Janeiro Declaration on Environment and Development, adopted by the UN in 1992:

- Transparency in the processes of defining, managing and evaluating public policies, at all scales (global, national and local), which implies ensuring access to information, in a timely manner and under appropriate conditions;
- Democratic and effective participation in the processes of defining, managing and evaluating policies consistent with multilateral regimes;
- Progressivity and non-regression in the consolidation of rights and duties of environmental protection, ethnic and cultural diversity;
- The principles *pro-persona* and *in dubio pro natura*.

Questions

(A) What are your overall expectations for the “Baku to Belém Roadmap to 1.3T”?

A1) About the process:

The process of discussing and regulating the management (raising funds, allocation and use of financial resources) of the 1.3 T USD must be guided by maximum transparency and consultation with observer organizations duly registered with the UNFCCC. This process must consider:

- Wide dissemination of documents that are fundamental and/or part of the Road Map/work plan, including a summary report of the submissions submitted by March 21;
- Disclosure of the draft work plan before the SB62 session and opening of consultation, on the UNFCCC website, with observers, to receive comments and suggestions for its improvement;
- Disclosure on the UNFCCC website, immediately after SB62, of a revised version of the Road Map/work plan and guarantee of permanent online consultation until and during CoP30.

A2) on the content of the Road map / work plan:

In order to be based on the best available scientific knowledge about the global climate crisis, the content must necessarily consider the recommendations and information provided by the IPCC, notably in its sixth assessment report (AR6).

In its content, the Road Map / work plan must observe aspects of equity, socio-environmental justice and the principle of common but differentiated responsibilities (CBDR), in accordance with UNFCC rules.

The Road Map should be formatted as a work plan, to be adopted at CoP30. This work plan should include annual targets between 2026 and 2035, with indicators and possible instruments that allow monitoring of their execution as well as observing the challenges highlighted in the GST – Global Stocktake, especially those of the transition away from fossil fuel exploration, as determined at CoP28 in Dubai.

The Road Map/Work Plan should seek synergy and coordination of multilateral financing mechanisms (Green Climate Fund, Adaptation Fund, Fund to Response to Loss and Damage), and strengthen commitments to effectively expand the mobilization and use of public financial resources in grants that meet the needs of groups, situations and countries most vulnerable to the impacts of climate change.

The Road Map should indicate the sources and forms of mobilizing financial resources to support the implementation of National Adaptation Plans (NAPs) and NDCs - Nationally Determined Contributions.

The Road Map/Work plan should prioritize the mobilization and allocation of public resources, with an emphasis on access to public resources in the form of donations (public grant-based finance).

It must contain guidelines and indicate possible instruments so that financial resources in the form of grants are made available to communities that are on the front line of defending relevant or vulnerable environmental territories to enable them to carry out mitigation and adaptation actions and projects.

To increase the allocation of resources in these communities, it is important that multilateral funds, national mechanisms and international cooperation mechanisms establish and/or expand cooperation with local funds, especially those from philanthropic institutions that meet the demands of indigenous groups, traditional communities and groups in vulnerable situations.

In this sense, the Road Map/Work Plan should seek to facilitate and expand the various forms of cooperation with local philanthropic institutions and funds and/or established by environmental defenders and vulnerable populations. Forms of cooperation that allow for the valorization of priorities and participation processes led by local communities, whether for adaptation or mitigation projects.

(B) Which topics and thematic issues should be explored to inform the Roadmap, within the scope of the mandate?

Two thematic axes are relevant, each of which unfolds into important topics: the mobilization of resources and the second referring to the use and different forms of allocation of financing.

In the field of mobilization, the following topics must be considered:

1. The sources of public resources, especially from industrialized countries, and their nature (public or private resources);
2. The priority for mobilizing public resources;
3. The timing of mobilization, within deadlines compatible with the goals of the NDCs and NAPs
4. The opportunities for “divest/invest”, to remove investments in high-carbon emission activities (such as fossil fuel exploration) and redirect resources to activities compatible with the bioeconomy and circular economy, with nature-based solutions, among others. This requires the elimination of subsidies for fossil fuel exploration or deforestation, for example.
5. The progressive additionality in resource mobilization, that is, based on the assessment of the current baseline of climate finance, establishing progressive and effective targets for the provision of financial resources.

In the field of use and allocation forms of financing, among several other topics, we highlight:

1. Democratization and expansion of access to financial grant resources for local communities and indigenous peoples – Indigenous Peoples and Local Communities (IPs and LCs), through the establishment of annual, progressive allocation targets.
2. Establishing partnerships between multilateral and national funds with philanthropic and community-based institutions, so as to increase finance in projects and measures to increase resilience and adaptation to the effects of climate change;
3. Support projects designed and implemented in an integrated manner to address the challenges of the triple environmental crisis, i.e., those that address elements of the climate, biodiversity and pollution crises.
4. Strengthening processes of prior, free and informed consultation with indigenous populations and local communities to understand their needs and priorities in addressing environmental crises.
5. Establish that most financing, especially when it comes to adaptation resources, should be provided in the form of grants.

Based on the principle of transparency, there must be mechanisms for clear provision of information (accountability), in annual periods, on the mobilization and use of resources.

(C) What country experiences, best practices and lessons learned can be shared related to barriers and enabling environments; innovative sources of finance; grants, concessional and non-debt creating instruments, and measures to create fiscal space?

Since it was founded in 2005, the Casa Socioambiental Fund has been an important advocate for environmental actions in South America, supporting around 4,000 projects in 10 countries, always prioritizing the provision of direct resources to Indigenous Peoples, traditional and local communities and to territories that are vital for biodiversity and climate regulation. Historically focused on climate mitigation - an agenda with co-benefits for adaptation - the Fund's direct involvement with adaptation has intensified in recent years. This trajectory is justified by the direct demands of the groups supported. A clear example is the growing support for firefighting brigades, a direct response to the record increase in forest fires in Brazil.

In this document, we will highlight some of the points from our publication, launched at CoP29 in November 2024, entitled "COMMUNITY PHILANTHROPY AND LOCALLY-LED ADAPTATION SOLUTIONS: LESSONS LEARNED FROM THE GLOBAL SOUTH" .

From 2019 to 2021, more than a thousand projects were supported by the Fund, with R\$40 million donated directly (approximately US\$8 million), strengthening the wellbeing and socio-environmental rights of communities. The Fund has the opportunity to consolidate its work on the adaptation agenda and to take important steps in this direction, such as co-constructing adaptation strategies in partnership with communities. Considering its capillarity, expanded through networking in countries of the Global South, there is an opportunity to contribute to building local adaptation agendas and narratives from the ground up. Thus, the main challenges and opportunities related to financing mechanisms, in particular the Adaptation Fund, are to

support local communities, strengthen participatory management processes and support Locally Led Adaptation measures.

According to the **Adaptation Gap Report 2023**, while investments in climate mitigation are growing rapidly (with figures close to 1.2 trillion dollars a year), funding for adaptation remains insufficient. In 2021, funding for adaptation amounted to 21.3 billion dollars, a 15% reduction on the previous year. Despite the reduction, financial flows should increase 10 to 18 times to meet global needs because adaptation costs are estimated at around US\$215-387 billion/year for developing countries in this decade¹⁰. This means that **there is a contradiction in the direction of climate finance**, since there is a financial need to increase resources for adaptation at the same time as there is a decrease in investment in this area worldwide.

The **Adaptation Fund** has emerged as a crucial tool for supporting adaptation projects in developing countries, being one of the main channels for providing funding through direct access. With more than US\$1.1 billion allocated, the Fund aims to give developing countries a leading role in the planning and implementation of adaptation projects, while ensuring monitoring and transparency at all stages¹¹.

Despite its importance, the Fund's **accreditation process is highly complex**, which makes it difficult for countries and entities wishing to become eligible for funding to access it. There is also an operational decision to limit to 2 entities to be accredited in each country to perform the Adaptation Fund. In large countries, such as Brazil, this norm creates obstacles to channel resources to those local communities and indigenous people .

Access to adaptation resources is not reaching the grassroots. Evidence shows that the available funding is not reaching those most vulnerable to climate impacts and who often have fewer resources to adapt. Data from the four main multilateral climate funds - the Adaptation Fund, the Climate Investment Fund (CIF), the Green Climate Fund (GCF) and the Global Environment Facility (GEF) - indicate that fragile and highly vulnerable countries are receiving less funding compared to others with middle-income economies¹⁶.

Although Brazil is considered a middle-income country, the level of vulnerability of many Brazilian communities is comparable to that of countries with much less developed economies. Economic and social inequality within the country exposes many populations to intensified risks in the face of climate change, with little adaptation infrastructure and limited resources to cope with environmental impacts.

Increasing access to resources and prioritizing the strengthening of adaptation policies are essential steps to ensure that those most affected by climate change are not left behind. Considering that access to adaptation funding should be facilitated for those who need it most, supporting community funds can be a strategic approach to making communities more resilient and prepared to face the growing impacts of climate change.

(D) Which multilateral initiatives do you see as most relevant to take into account in the Roadmap and why?

The UNFCCC Road Map (work Plan) should consider opportunities for synergy with the implementation processes of the Sustainable Development Goals (SDGs) of the 2030 Agenda. It should assess opportunities for mobilization and appropriate use of resources that may arise from the 4th Conference on Financing for Development (FFD4).

To better address the triple planetary environmental crisis (climate, biodiversity and pollution), the Road Map (work Plan) should consider ways and opportunities to leverage (raise) resources and their synergistic allocation with multilateral agreement mechanisms, such as those associated with The Kunming-Montreal Global Biodiversity Framework (GBF) Fund, the Global Framework on Chemicals - for a Planet Free of Harm from Chemicals and Waste (adopted in 2023 as a succession step of SAICM - The Strategic Approach to International Chemicals Management).

In Latin America and the Caribbean, transparency and conditions for public participation in decisions on mobilizing and applying resources to climate policies and actions must be consistent with the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, known as Escazú Agreement, in force since 2021.