Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With 200 member organisations active in 40 European countries, representing over 1,700 NGOs and more than 40 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

Sept 2026

Recommendations for Council Conclusions on climate finance

To: Ministers for Finance of European Union (EU) Member States and Commissioner for Climate, Net Zero and Clean Growth

Copy: EU UNFCCC Heads of Delegation

Dear Minister,

Climate change's adverse economic impacts are becoming increasingly alarming in Europe and in other regions of the world. More frequent extreme weather events are contributing to inflation, reductions to productivity and prosperity, and driving up credit costs for developing countries facing a growing debt crisis. At the same time current price hikes in gas and oil make it ever clearer that economies need to break free from fossil fuel dependency. It's becoming ever clearer that aligning finance flows with the Paris Agreement will bring major long-term economic benefits and greater macro-economic stability.

Moreover the 2025 International Court of Justice Advisory Opinion on the Obligations of States in Respect of Climate Change states that climate finance should be guided by developing countries' needs. The EU should now build on its broad support for the subsequent UN General Assembly resolution and advance a needs-based climate finance agenda.

There are several opportunities ahead of, at COP31 and beyond where the EU's action on international climate finance will be pivotal.

Setting the climate finance trajectory

Against this backdrop, the provision of climate finance from developed to developing countries under the Paris Agreement remains a key responsibility: enhancing support is vital to support their adaptation, phase out fossil fuels and respond to worsening climate impacts. While private finance mobilisation for climate action is a key ingredient, it can complement but not replace provision of public finance in many countries and sectors. The tendency of a number of Member States to cut Official Development Assistance levels and in some cases public climate finance is highly concerning.

- Developed countries, including EU Member States, should communicate well before COP31 individual **post-2025 climate finance plans or commitments**, updating past commitments in the context of the $100 billion goal, outlining how they intend to contribute to both the New Collective Quantified Goal (NCQG) and its $300 billion target, and the goal to triple adaptation finance by 2035.

- The 2028-2035 **Multiannual Financial Framework's Global Europe instrument** will be key to reinforce Member State contributions. Funding for Global Europe should be safeguarded to at least EUR 200 billion, with a climate and environment spending target of 50% (35% for climate and 15% for biodiversity), and exclusion of fossil fuel spending.

- At COP31 Parties should agree on the scope and modalities of the **climate finance work programme**. It should be designed to provide more clarity on the NCQG, the US$ 300 billion target in particular, and options for implementation. The main focus should be on public finance provision by developed countries, and additional sources of finance.

Climate finance implementation: delivery pathways

Additional key elements of the NCQG decision include tripling the outflows from the UNFCCC funds by 2030 compared to 2022 levels, and commitments to improve access to finance. At COP30, Parties made further progress by agreeing on a goal of tripling adaptation finance by 2035. Clarity on implementation pathways is now needed.

- The EU should acknowledge a clear **baseline for the target to triple adaptation finance**. This should be the intended 2025 level of the Glasgow Climate Pact call to developed country Parties to at least double adaptation finance provision by 2025.

- At COP31, The EU and its Member States should make substantial pledges to the **Adaptation Fund, the Least Developed Countries Fund and additional pledges for the start-up phase of the Fund for responding to Loss and Damage**, while also preparing for its first formal replenishment and the **next replenishment of the Green Climate Fund**. As the catastrophic flooding in Nepal has just illustrated, contributions should be scaled up urgently to enable these funds to expand their programming.

Shifting financial flows and economic frameworks

Beyond the provision of finance, ongoing discussions on shifting all financial flows (Paris Agreement, Art. 2.1c) offer an important opportunity to agree on how to put developing countries in a better position to pursue their nationally determined, Paris-aligned sustainable development pathways, and how all countries can phase out harmful flows.

- This should include addressing the harmful role of **debt distress and dependency, exacerbation of debt by climate impacts, and cost of capital**, and reforms needed at the IMF, World Bank, and other relevant economic institutions.

- The Veredas Dialogues and Xingu Talks, and Climate Finance Work Programme can also contribute to a stronger **UN Framework Convention on International Tax Cooperation** by exploring its role in expanding **fiscal space for climate and development**, its climate components, and as a complementary pillar of global climate finance architecture.

Transitioning Away From Fossil Fuels

The Santa Marta process and COP30 Presidency Roadmap are generating significant political momentum on transitioning away from fossil fuels. Simultaneously the US-Iran War has underlined yet again the economic risks of reliance on fossil fuels. Against this backdrop COP31 must translate Global Stocktake commitments into implementation. In parallel the EU's progress on subsidy phaseout, taxation and private finance regulation are particularly important for international diplomacy, and to advance relevant plurilateral initiatives.

- The EU should **establish a common EU framework for taxation of fossil fuel industry profits**, with a share of revenues going to international climate finance. EU Member States should also support **addressing fossil fuel taxation in the UN Tax Convention**.

- The EU should deliver on long-standing commitments to phase out fossil fuel subsidies, through a **binding and harmonised EU framework to phase out fossil fuel subsidies** as soon as possible, covering the Governance Regulation, EU budget, State Aid Framework, and Energy Taxation Directive, and better use of the European Semester process. Ending production subsidies and untargeted consumption subsidies should be prioritised, while strengthening targeted support to vulnerable groups.

- All Parties should develop a **global framework** and **national frameworks and roadmaps for a just, orderly and equitable transition away from fossil fuels** in energy systems, under the COP30-mandated roadmap process, including just transition frameworks, economic and financial policies to address fossil fuel supply and demand.

CAN Europe and its members stand ready to further engage with your delegations on these matters ahead of COP31.

Yours sincerely,

Chiara Martinelli,

Director, Climate Action Network Europe