Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 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.

October 2025

Economic & Financial Affairs Council 10 Oct 2025: Conclusions on Climate Finance with a view to COP30

To: EU Finance Ministers and European Commissioner for Economy

Copy: EU Climate Ministers and European Commissioner for Climate

Dear Minister,

Climate change is increasingly impacting national and global economic systems, contributing to inflation, reductions to productivity and prosperity, and driving up credit costs for countries facing a growing debt crisis. At the same time the EU's international climate finance is stagnating,[1] fossil fuel subsidies have recently reached global heights,[2] and we lack meaningful regulation to align private finance with the Paris Agreement. This demands bold solutions not incremental changes, or worse, backsliding on financial regulation.

Aligning finance flows with the Paris Agreement brings major long-term economic benefits and greater macro-economic stability. The EU's approach to finance provision, mobilisation, and global economic governance is key to accelerating global progress to unlock public finance, shape private flows, and shift the trillions needed to tackle the climate crisis.

International climate finance provision and mobilisation

The recent International Court of Justice Advisory Opinion on the Obligations of States in respect of Climate Change confirmed that developed country Parties have legal obligations to provide financial assistance to vulnerable states under the UNFCCC and Paris Agreement. Parties are to implement their Paris Agreement obligations to allow for the achievement of its long term goals.[3] CAN Europe would like to underline the importance of new and additional public climate finance, and calls on the EU to **strengthen delivery on Paris Agreement Article 9.1**, and support decisions in Belém that enable **accountability on additionality, predictability, concessionality and transparency of financing**.

CAN Europe is calling on **all EU Member States to announce, at or before COP30, how they will scale up their individual climate finance contribution between now and 2030, in line with the USD 300billion goal of the New Collective Quantified Goal (NCQG),** considering this a lower bound for climate finance provision, and including adaptation and loss and damage finance. This should include financing with just transition principles, new pledges to the Fund for Responding to Loss and Damage and to the Adaptation Fund, to ensure its resource mobilisation target is not only met but exceeded.

To scale up the collective EU contribution through the **new Global Europe Instrument**, the Commission's EUR 200billion budget proposal should be maintained; it should have a **50% climate and environment**

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[1] https://www.consilium.europa.eu/en/policies/climate-finance/timeline/

[2] https://www.imf.org/en/Blogs/Articles/2023/08/24/fossil-fuel-subsidies-surged-to-record-7-trillion

[3] International Court of Justice Advisory Opinion*, Obligations of States in respect of Climate Change:* *https://www.icj-cij.org/case/187* paras 260-265.

target; and adaptation should be specified as a key objective. The ‘do no significant harm’ principle should be fully applied and fossil fuel activities excluded.

The EU should support a decision at COP30 for developed country parties to **at least triple their collective provision of public climate finance for adaptation** to developing country Parties by 2030, based on the Glasgow commitment to double adaptation finance by 2025.

The EU should **support a decision at CMA7** addressing next steps to **implement the NCQG and the “Baku to Belém Roadmap to 1.3T”**, recognising the importance of grants and public finance for the $300 billion goal in particular and setting out quantified targets for mitigation, adaptation, and loss and damage. The Roadmap should take a cautious approach to blended finance and private finance mobilisation, and finance should be guided by just transition principles and robust social and environmental safeguards.

Paris Agreement Article 2.1c and phasing out fossil fuel finance

Parties should take a decision at CMA7 to **continue and strengthen a process on Art. 2.1c**, guided by principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), and aligning action with 1.5 degrees Celsius and adaptation goals. The first Global Stocktake called on Parties to contribute to **global efforts on phasing out fossil fuel subsidies**. This, and **regulating harmful private flows**, must be a key objective for Art. 2.1c, particularly by developed countries and countries responsible for the largest global shares of private finance flows and fossil fuel subsidies,[4] through finance transition plans and improved reporting. Art. 2.1c must also **address disenablers of climate resilient development in international financial architecture**, particularly the debt-climate nexus. The CMA can provide guidance, invite action by relevant institutions, and set out an **action plan for Paris Agreement alignment of international finance**.

The EU should demonstrate progress domestically by swift action on a **framework to further scale down and phase out the use of fossil fuel subsidies**, with a just transition approach and compensation schemes to support low income households.

International Tax Cooperation

Fairer global tax rules will increase developing countries’ resource mobilisation and free up fiscal space for climate action, as well as support revenue collection and efficiency in developed countries. The EU should **constructively engage in the UN Framework Convention on International Tax Cooperation** negotiations. As well as ensuring a fair division of taxing rights between countries and addressing tax havens, tax abuse by multinationals and illicit financial flows, **the Convention should encompass progressive environmental taxation** (Terms of Reference, Art. 10.c) **in line with the Polluter Pays Principle and CBDR-RC**. The next step for the EU tax negotiators is to develop and adopt concrete commitments and mechanisms to deliver on the Convention’s sustainable development mandate and strengthen the link to climate goals and policies.

EU member states should also work with other countries to **implement new polluter pays taxes and levies via the Global Solidarity Levies Taskforce**, join the Solidarity Coalition for Levies on Premium

[4] Ibid. para 427: [fossil fuel subsidies] may constitute an internationally wrongful act attributable to that State.

Flyers, and implement options at EU-level, including a coordinated **EU-wide minimum tax on extreme wealth**, and an **EU-wide tax on ownership and profits of the fossil fuel industry**.[5] Taxes should be designed to be socially fair and a significant share of revenues go to international climate finance.

The UNFCCC process can complement these processes in actions indicated by the Baku-Belem Roadmap, in guidance set out in a continued process on Article 2.1c, and through a COP30 decision endorsing the polluters pay principle and fossil fuel taxation.

We hope that you can take these points into consideration.

Yours sincerely,

Chiara Martinelli, Director, Climate Action Network Europe

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[5] https://caneurope.org/content/uploads/2024/09/CAN-Europe-position-on-a-tax-on-extreme-wealth.pdf; https://caneurope.org/can-europe-position-fossil-fuel-tax/