REDFIS Red Latinoamericana y Caribeña por un Sistema Financiero Sostenible

Submission on the COP30 Presidency Roadmap for transitioning away from fossil fuels in a just, orderly and equitable manner

Index

1. Introduction

The Climate Finance Group for Latin America and the Caribbean (GFLAC), Sustainable Strategic Solutions (SESSA), Argentina 1.5, Climate Action Network Latin America (CANLA), as member organizations of the Latin American and Caribbean Network for a Sustainable Financial System (REDFIS), welcome the development of the COP30 Presidency Roadmap for transitioning away from fossil fuels in a just, orderly and equitable manner. This initiative represents a critical step towards operationalizing the outcomes of the Paris Agreement, particularly the conclusions of the first Global Stocktake.

The commitment established under paragraph 28 of the Global Stocktake marks an important political milestone in advancing global efforts to transition away from fossil fuels. However, its effectiveness will ultimately depend on its translation into concrete, context-specific and implementable pathways that reflect countries' diverse national circumstances, development priorities, and structural constraints.

From the perspective of Latin America and the Caribbean (LAC), transitioning away from fossil fuels is not only a question of transforming energy systems, but of addressing the underlying financial, fiscal and economic structures that shape development pathways. The region is characterized by significant renewable energy potential, and, in several cases, relatively low-carbon electricity systems. Nevertheless, fossil fuels continue to play a central role in public revenues, energy supply and investment patterns, creating structural dependencies that condition the pace and feasibility of the transition.

Evidence from across the region indicates that current financial flows remain significantly misaligned with climate objectives. Public finance systems continue to prioritize carbon-intensive activities, while investment in sustainable sectors remains limited, fragmented, and inconsistent. This structural misalignment represents a key barrier to implementation, as it constrains both the scale and direction of the transition, and limits progress towards aligning financial flows in line with Article 2.1(c) of the Paris Agreement.

Current financial and fiscal systems are not only misaligned with climate objectives; they continue to actively reinforce fossil fuel-dependent development pathways. Public resources, fiscal incentives and investment decisions remain oriented toward carbon-intensive activities, limiting the scale and speed at which the transition can occur. Addressing this structural contradiction is therefore not a complementary action, but a central condition for enabling a just, orderly and equitable transition.

Additionally, policy instruments, such as fossil fuel subsidies and public investment decisions, continue to shape energy systems in ways that can either accelerate or delay the transition. The persistence of these instruments, particularly when they are not aligned with long-term climate objectives, contributes to carbon lock-in, reduces fiscal space, and weakens the effectiveness of climate and energy policies.

Against this backdrop, the COP30 Presidency Roadmap presents a critical opportunity to move from global consensus to implementation. To be effective, the Roadmap must go beyond identifying general ambition and instead provide clear guidance on how to address structural barriers, leverage existing policy instruments, and enable differentiated transition pathways that are both technically feasible and socially and economically viable.

This submission responds directly to the COP30 Presidency call for inputs by identifying critical barriers, outlining enabling levers, and providing evidence-based insights from regional and subnational experience to support the development of practical, implementable and differentiated transition pathways.

2. Critical barriers to transitioning away from fossil fuels

Transitioning away from fossil fuels in a just, orderly, and equitable manner in LAC is constrained by deeply embedded structural conditions within public finance systems, fiscal policy frameworks and development models. These barriers are systemic and mutually reinforcing, shaping both the scale and pace at which transition pathways can be effectively implemented. While the region has significant renewable energy potential, structural constraints continue to impede progress towards aligning with the objectives of the Paris Agreement.

2.1 Structural misalignment of financial flows with climate objectives

A central barrier lies in the persistent misalignment between public financial systems and climate commitments. Public finance systems continue to mobilize and allocate resources in ways that reinforce carbon-intensive activities, while investments in sustainable sectors remain insufficient, fragmented, and inconsistent. This misalignment directly hinders progress towards Article 2.1(c) of the Paris Agreement and limits the ability to scale low-carbon investments.

This misalignment is further compounded by the limited integration of biodiversity-related finance within broader fiscal and financial frameworks. Despite the growing recognition of the interlinkages between climate and biodiversity, financial flows rarely reflect these synergies, resulting in fragmented allocation of resources. Strengthening biodiversity finance, particularly through nature-based solutions and ecosystem-based approaches, can play a critical role in enhancing climate mitigation and adaptation outcomes, while contributing to more resilient and sustainable development pathways.

GFLAC's Sustainable Finance Index

The Sustainable Finance Index[1] (SFI), developed by GFLAC, provides robust evidence over time on the persistent structural orientation of fiscal systems in Latin America and the Caribbean toward carbon-intensive activities.

According to SFI findings, countries in the region continue to allocate significantly more public resources to carbon-intensive sectors than to sustainable activities. Historical analysis from the SFI demonstrates that this imbalance has been persistent over time. In 2019, carbon-intensive budgets were 51 times higher than sustainable budgets; this ratio decreased to 33 times in 2020, increased to 39 times in 2021, declined to 31 times in 2022, dropped to 12 times in 2023, and reached its lowest recorded level in 2024, where carbon-intensive budgets remained 5 times higher than sustainable budgets.

Despite this relative improvement, the magnitude of the gap remains structurally significant. Over the period analyzed, SFI results show that, in most countries in the region, sustainable budgets represent less than 1% of total public expenditure, while carbon-intensive budgets can exceed 10%. This indicates that climate-related spending continues to play a marginal role within broader fiscal frameworks.

Complementing this expenditure analysis, the latest edition of the SFI 2025 (with data up to 2024) shows that these asymmetries are also present on the revenue side. Revenues associated with carbon-intensive activities exceed sustainable revenues by a factor of eleven, with approximately USD 199.5 billion generated from carbon-intensive sectors compared to USD 17.9 billion in sustainable revenues. On the

[1] Available (in Spanish) at: https://www.sustainablefinance4future.org/resultados-ifs-edici%C3%B3n-2025

expenditure side, governments allocate USD 71.3 billion to carbon-intensive sectors, compared to USD 13.1 billion directed toward sustainable activities, equivalent to the radio of approximately five to one.

Taken together, this evidence demonstrates that fiscal and financial systems in the region continue to reproduce patterns associated with fossil fuel-dependent economies. Public financial flows are not aligned with climate objectives; rather, they actively reinforce carbon-intensive development pathways. This structural misalignment constitutes a fundamental barrier to the implementation of Article 2.1(c) of the Paris Agreement, as it limits the ability of countries to redirect resources at the scale and speed required to support a transition toward low-carbon and climate-resilient economies.

2.2 Fossil fuel subsidies and distorted economic signals

A second critical barrier lies in the persistence of fiscal incentives that continue to favor fossil fuel production and consumption. Across the region, public support mechanisms for fossil fuel sectors remain embedded within fiscal and energy policy frameworks. These incentives distort economic signals by artificially lowering the cost of fossil fuels, reducing the competitiveness of renewable energy, and delaying the deployment of cleaner technologies.

Beyond their immediate fiscal implications, these incentives contribute to structural lock-in. By shaping investment conditions and long-term planning decisions, they reinforce carbon-intensive infrastructure pathways and sustain fossil fuel dependence over time.

At the same time, these incentives reduce fiscal space, limiting governments' ability to allocate resources toward sustainable investments, such as renewable energy, sustainable infrastructure, electrification, and energy efficiency. As a result, they operate both as a direct barrier and as a constraint on the financial capacity required to implement the transition.This creates a structural contradiction where public finance simultaneously enables and constrains the transition.

2.3 Structural limitations of international climate finance

The transition to low-carbon economy is facing multiple challenges, including limited international climate finance, complex requirements for accesing funds, and a lack of alignment with national priorities. This hinders the implementation of large-scale, long-term transition strategies in many countries in LAC.

According to the **SFI 2025,** Latin America and the Caribbean received approximately USD 70.6 billion in development finance, of which only USD 17.9 billion—equivalent to 25.4%—was allocated to climate-related activities. This indicates that climate finance remains a limited share of total financial flows, insufficient to support the scale of transformation required. In addition, SFI findings highlight structural limitations in the composition of climate finance. Approximately 92.1% of climate finance is delivered through loans, while only 7.9% corresponds to grants. This reliance on debt-based instruments places additional pressure on public finances and constrains countries' ability to implement transition policies at scale. This structure effectively shifts the financial burden of the transition onto countries with already limited fiscal space.

2.4 Fiscal dependence on carbon-intensive activities

In many countries in Latin America and the Caribbean, fossil fuels are deeply embedded in fiscal structures. SFI evidence shows that a significant share of public revenues is derived from carbon-intensive sectors, reinforcing fiscal dependence on extractive and fossil fuel-based activities. These revenues play a central role in financing public expenditure, supporting macroeconomic stability and sustaining export earnings.

As a result, reducing fossil fuel production or consumption has direct fiscal implications, making the transition politically and economically complex. Fiscal dependence on fossil fuels is not merely a contextual constraint, but a structural barrier that must be explicitly addressed in transition strategies. Without alternative revenue sources or comprehensive fiscal reform strategies, LAC countries face significant constraints in accelerating transition pathways while maintaining economic stability.

2.5 Investment patterns and infrastructure lock-in

Investment decisions across the region continue to reinforce fossil fuel-based systems. While the SFI focuses on public financial flows, its findings reflect broader investment dynamics. The continued prioritization of carbon-intensive sectors within public budgets influences the direction of both public and private investment, limiting the scale and consistency of investments in renewable energy and low-carbon technologies.

Given the long lifespan of energy infrastructure, these investment patterns contribute to long-term carbon lock-in, delaying the deployment of low-carbon alternatives and increasing the risk of stranded assets.

2.6 Infrastructure, market design, and technological constraints

There are also structural limitations in infrastructure and market design that hinder the transition towards clean energy. Insufficient grid capacity, limited energy storage, and underdeveloped transmission systems are some of the key challenges in integrating renewable energy into the grid. Additionally, electricity market designs in several LAC countries are not fully adapted to variable renewable energy, which weakens price signals and reduces incentives for energy deployment. These constraints need to be addressed in order to facilitate the transition towards a sustainable energy system.

2.6 Institutional fragmentation and policy incoherence

Another key barrier lies in fragmented governance frameworks. Energy, fiscal and climate policies are often developed and implemented in parallel, with limited coordination across institutions. This results in inconsistencies, where policies promoting renewable energy coexist with fiscal measures that continue to support fossil fuel sectors.

This lack of coherence reduces policy effectiveness, creates uncertainty, and limits the ability to implement coordinated and scalable transition strategies.

2.7 Social and distributional constraints

Finally, the transition is shaped by complex social and political dynamics. Policy reforms, such as the removal of fossil fuel subsidies, can have significant impacts on different social groups, particularly vulnerable populations. Without adequate social protection measures, these reforms may generate resistance and implementation.

Therefore, a just transition requires integrating social considerations into fiscal and energy policy reforms, addressing issues of affordability, employment and equity, and ensuring that the transition strategies are technically viable, environmentally friendly, and socially acceptable.

3. The enabling conditions and policy levers required to accelerate implementation

Accelerating the transition away from fossil fuels requires activating a set of mutually reinforcing economic, financial, institutional, technological and social levers that address the structural drivers of fossil fuel dependence.

Regional evidence captured by the **SFI** shows that public financial systems across Latin America and the Caribbean remain structurally misaligned with climate objectives. Carbon-intensive revenues and expenditures consistently outweigh sustainable ones, while sustainable budgets represent only a marginal share of total public spending. This imbalance highlights that accelerating implementation is fundamentally a fiscal and financial challenge, closely linked to achieving the objectives of the Paris Agreement, particularly Article 2.1(c).

3.1 Economic and fiscal levers

Shifting incentives and facilitating the transition scale are all dependent on economic and fiscal instruments.

To be operationalized within the Roadmap, key economic and fiscal levers include:

- the gradual and predictable phase-out of fossil fuel subsidies, embedded within medium- and long-term fiscal strategies;
- the redesign of fiscal systems to reduce dependence on carbon-intensive revenues;
- the introduction or strengthening of carbon pricing mechanisms and fiscal incentives aligned with low-carbon investments;
- the systematic reallocation of public expenditure toward renewable energy, electrification and energy efficiency.

SFI results show that carbon-intensive expenditures continue to exceed sustainable budgets by a significant margin, reflecting entrenched fiscal patterns that reinforce fossil fuel dependence. Addressing these distortions through fiscal reform is essential to realign economic signals and unlock the transition.

In this context, evidence from national transition dynamics indicates that subsidy reform must follow sequenced and progressive pathways, allowing for the gradual reallocation of fiscal resources while maintaining macroeconomic stability and energy security.

3.2 Financial levers

Transforming financial systems is essential to mobilize resources at the scale required for implementation.

To strengthen implementation, key financial levers that could be reflected in the Roadmap include:

- aligning public financial management systems with climate objectives, including climate budget tagging and expenditure tracking;
- increasing the availability of concessional and grant-based international climate finance to reduce reliance on debt instruments;
- leveraging public finance to mobilize private investment in renewable energy and enabling infrastructure;
- strengthening the role of development banks in financing systemic transitions.
- integrating biodiversity finance into climate finance strategies, including the alignment of financial instruments with national biodiversity strategies and action plans (NBSAPs) and scaling up investments in nature-based solutions that jointly address climate and biodiversity objectives.

Data from the **SFI** indicates that international climate finance in the region remains limited in scale and highly concentrated in loan-based instruments, constraining countries' fiscal space to undertake structural reforms. Accelerating implementation therefore requires not only increasing financial flows, but also improving their composition, accessibility, and alignment with national priorities.

3.3 Institutional and governance levers

Strong institutional frameworks are necessary to ensure policy coherence and effective implementation.

Key levers include:

- establishing inter-ministerial coordination mechanisms linking finance, energy and climate institutions;
- integrating climate objectives into national development plans and fiscal frameworks;
- strengthening monitoring, reporting and verification (MRV) systems for financial flows;
- enhancing transparency and accountability, particularly access to information, in public resource allocation.

These measures enable governments to align policy objectives, reduce contradictory signals and ensure that financial and regulatory decisions consistently support the transition.

3.4 Technological and infrastructure levers

Technological deployment and infrastructure development are essential to operationalize the transition.

Key levers include:

- scaling renewable energy capacity and accelerating grid modernization;
- investing in electrification and energy efficiency across sectors;
- supporting innovation and deployment of low-carbon technologies;
- aligning infrastructure investment cycles with long-term decarbonization goals.

Given the long lifespan of energy infrastructure, early, and sustained investment decisions are critical to avoid lock-in effects and ensure that transition pathways remain feasible over time.

3.5 Social and just transition levers

Embedding social considerations into transition strategies is fundamental to ensuring that the process is just, orderly, and equitable.

Key levers include:

- designing targeted compensation mechanisms to protect vulnerable populations from energy price impacts;

- supporting workforce transition and reskilling in fossil fuel-dependent sectors;
- ensuring inclusive participation in transition planning processes;
- aligning fiscal reforms, including subsidy phase-out, with social protection strategies.

Integrating just transition principles into fiscal and financial decision-making enhances political feasibility and strengthens long-term sustainability.

3.6 Integrated and sequenced transition pathways

A cross-cutting lever lies in the design of integrated and sequenced transition pathways that combine fiscal reform, financial mobilization and infrastructure investment.

SFI analysis highlights that structural misalignment in financial flows persists over time, underscoring the need for sustained and coordinated policy action. Complementary evidence from national trajectories shows that:

- reforms must be gradual, predictable and aligned with fiscal and energy planning cycles;
- the reallocation of public resources generates cumulative impacts over time, particularly when directed toward clean energy systems;
- the transition can be achieved without compromising energy security when supported by sustained investment and policy coherence.

This integrated approach enables countries to tailor pathways to their specific contexts, while ensuring consistency with global climate objectives.

4. Lessons learned from regional experience

The regional experience of LAC shows that the barriers to transitioning away from fossil fuels are not merely theoretical; they are already materialised across both national and subnational financial systems, and significantly influence development trajectories. Evidence from fiscal and public finance structures confirms that this transition is fundamentally conditioned by how revenues are generated, how expenditures are prioritized, and how financial systems are governed in alignment with the objectives of the Paris Agreement.

A first lesson is that rapid progress is possible when coherent policy frameworks are in place; however, it is frequently uneven and challenging to maintain in the absence of systemic alignment. Diversifying energy matrices and scaling renewable energy deployment are capabilities that

numerous countries in the region have exhibited in a relatively short period of time. Nevertheless, these advances are often accompanied by enduring fiscal and financial structures that continue to subsidize fossil fuel activities, thereby restoring the overall pace and depth of the transition.

The **Subnational Sustainable Finance Index (SSFI) 2025** - based on 2024 data - developed by GFLAC and implemented in **Mexico**[2] provides a detailed assessment of how state-level public finances aligns with climate objectives. In this context, Mexico illustrates the magnitude of the challenge. In 2024, the 32 federal entities generated MXN 24.1 billion in sustainable revenues, compared to MXN 117.8 billion from carbon-intensive revenues, representing a ratio of nearly five to one in favor of the latter. A similar pattern is observed on the expenditure side, where MXN 30.3 billion were allocated to sustainable budgets, while MXN 105.1 billion were directed toward carbon-intensive sectors. In practical terms, for every peso invested in sustainability, 3.4 pesos continue to support activities that contribute to environmental degradation and emissions growth.

These patterns confirm that subnational fiscal systems remain structurally misaligned with climate objectives and reflect the same dynamics identified at the national level. They also demonstrate that advancing the alignment of financial flows requires going beyond national commitments, as implementation ultimately depends on how subnational governments mobilize and allocate public resources. In this sense, the gap between climate commitments and fiscal realities remains a central constraint to advancing alignment with Article 2.1(c) of the Paris Agreement.

A comparable situation is observed in Brazil. The **SSFI Brazil 2025**[3] evaluated 2024 data from the 26 states and the Federal District, showing that revenues from carbon-intensive sectors reached BRL 82.5 billion, compared to BRL 6.2 billion in sustainable revenues, reflecting a ratio of thirteen to one. On the expenditure side, approximately BRL 32.6 billion were allocated to carbon-intensive sectors, while BRL 21.1 billion were directed toward sustainable investments. This indicates that even where policy frameworks supporting climate action are in place, fiscal structures continue to prioritize carbon-intensive activities.

Taken together, these cases show that financial misalignment is embedded across levels of governance, and that subnational fiscal systems play a decisive role in either reinforcing or shifting development pathways. Differences across states in revenue structures, budget priorities and institutional capacities further highlight that transition pathways are inherently heterogeneous and must be adapted to territorial realities.

A second key lesson emerging from regional experience is that fossil fuel dependency is not only an economic condition, but also a fiscal and institutional one. Public finance systems continue to rely on carbon-intensive sectors both as sources of revenue and as priority areas of expenditure, reinforcing long-term development patterns that are difficult to reverse. This highlights that

[2] Available (in Spanish) at: https://www.finanzasclimaticasmx.com/_files/ugd/32948d_04adb394330345c29fd717485c7527a5.pdf
[3] Available at: https://www.sustainablefinance4future.org/%C3%ADndice-subnacional-brasil2025

transition strategies must address fiscal dependence directly, rather than treating it as a secondary or external factor.

A third lesson is that transparency and financial tracking are not complementary elements, but enabling conditions for implementation. The ability to identify, measure and compare sustainable and carbon-intensive financial flows provides the basis for diagnosing structural gaps and informing policy decisions. Without this level of visibility, efforts to align financial systems with climate objectives remain partial and difficult to operationalize.

A fourth lesson is that progress, while possible, remains constrained by structural inertia within financial systems. Although some improvements in the relative balance between sustainable and carbon-intensive flows have been observed over time, these shifts remain limited in scale and are often reversible. This reflects the persistence of underlying fiscal incentives, investment patterns and policy inconsistencies that continue to favor carbon-intensive development pathways.

A fifth lesson is that infrastructure and investment decisions have long-term implications. Current investment patterns have the potential to either accelerate or delay the transition, given the extended lifespan of energy and transport infrastructure. The risk of lock-in and stranded assets is magnified by the continued prioritization of carbon-intensive assets, whereas the early and sustained investment in clean technologies facilitates more adaptable and resilient transition pathways.

A sixth lesson is that the effectiveness of implementation and equity can be improved through community-based and decentralized approaches. Inclusionary, locally driven models have the potential to enhance energy access, fortify resilience, and increase social acceptance of the transition, as evidenced by the experience of decentralized renewable energy systems, particularly in underserved and rural areas.

Finally, regional experience shows that transitioning away from fossil fuels requires not only technical and financial solutions, but governance approaches that integrate economic, social and institutional dimensions. The transition must be designed in a way that accounts for fiscal constraints, development priorities and distributional impacts, ensuring that policy measures are both feasible and socially acceptable.

Overall, these lessons demonstrate that transitioning away from fossil fuels is not only a matter of increasing climate ambition or scaling up finance, but of transforming the financial and fiscal systems that shape development trajectories. Without addressing the structural conditions that determine how financial resources are generated, allocated and governed, the transition will remain constrained by the same dynamics that have historically reinforced fossil fuel dependence.

5. Considerations for ensuring a just, orderly and equitable transition

Ensuring that the transition away from fossil fuels is just, orderly, and equitable requires integrating social, economic and institutional considerations into the design and implementation of transition pathways. As demonstrated in the previous sections, structural misalignments in financial and fiscal systems, combined with entrenched development patterns, create differentiated starting points across countries and territories. Addressing these differences is essential to ensure that transition efforts are both effective and inclusive. Equity is not a complementary dimension of the transition, but a central condition for its feasibility and legitimacy.

A first consideration is that transition pathways must be grounded in national and subnational circumstances, reflecting differences in fiscal capacity, economic structure and levels of development. In many countries in LAC, fossil fuels remain closely linked to public revenues, employment and energy access. As a result, accelerating the transition without addressing these structural dependencies may generate economic and social disruptions, undermining both political feasibility and long-term sustainability.

A second consideration is that fiscal and financial reforms must be designed in a way that manages distributional impacts. Measures such as the phase-out of fossil fuel subsidies, while necessary to correct distorted economic signals, can have significant short-term effects on energy prices and household welfare. Ensuring that these reforms are accompanied by targeted social protection mechanisms, compensation schemes and inclusive policy design processes is essential to prevent adverse impacts on vulnerable populations.

A third consideration is that access to finance and its conditions play a determining role in shaping equitable transition pathways. The current composition of international climate finance, characterized by a high reliance on loan-based instruments, places additional pressure on public finances and limits the ability of countries to undertake structural reforms at scale, and may exacerbate existing fiscal vulnerabilities and debt dynamics. Expanding access to concessional and grant-based finance is therefore critical to enable countries to implement transition strategies without exacerbating fiscal vulnerabilities.

A fourth consideration is that policy coherence and institutional coordination are central to ensuring orderly transitions. Aligning fiscal, energy and climate policies reduces the risk of contradictory signals and enhances the effectiveness of transition measures. At the same time, strengthening governance frameworks across levels of government is essential to ensure that national commitments are translated into implementable actions at the subnational level.

A fifth consideration is that transition pathways must be designed as gradual, predictable, and sequenced processes. Abrupt policy changes risk generating economic instability and social resistance, particularly in contexts where fiscal dependence on fossil fuels remains high. Evidence from regional experience shows that gradual reallocation of public resources, combined with sustained investment in sustainable sectors, can enable transitions that maintain energy security while progressively reducing emissions.

A sixth consideration is the need to strengthen coherence between climate and biodiversity policy frameworks, particularly in the implementation of Nationally Determined Contributions (NDCs) and their articulation with National Adaptation Plans (NAPs) and National Biodiversity Strategies and Action Plans (NBSAPs). Ensuring that NDC priorities are effectively reflected in adaptation and biodiversity planning instruments can enhance policy consistency, avoid duplication of efforts, and maximize co-benefits. This alignment is essential to ensure that financial flows and policy measures support integrated climate and biodiversity outcomes at the national level.

A seventh factor to consider is the necessity of inclusive governance and participation. Legitimacy, policy design, and more equitable outcomes can all be improved by ensuring meaningful engagement of local communities, Indigenous peoples, workers, and civil society in transition planning processes. Furthermore, involving these groups is crucial for identifying context-specific solutions and addressing distributional concerns.

Finally, ensuring a just, orderly and equitable transition requires recognizing that financial system transformation is central to implementation. Aligning financial flows with climate objectives, as reflected in Article 2.1(c) of the Paris Agreement, is not only a technical goal but a necessary condition to enable transitions at scale. Without this alignment, policy measures will continue to operate within financial systems that reinforce carbon-intensive development pathways.

Overall, achieving a just, orderly and equitable transition requires an integrated approach that combines fiscal reform, financial mobilization, institutional coordination and social protection. By addressing structural constraints while ensuring that transition pathways are context-specific and inclusive, countries can move toward development models that are both low-carbon and resilient, without compromising economic stability or social equity.

Conclusion

The transition away from fossil fuels in a just, orderly and equitable manner is not only a question of ambition, but of implementation. As this submission has shown, structural barriers embedded in fiscal systems, financial flows and institutional arrangements continue to constrain the pace and scale of the transition across Latin America and the Caribbean. At the same time, evidence from the region demonstrates that progress is possible when policy, finance and governance frameworks are aligned and sequenced effectively.

Addressing these challenges requires moving beyond isolated interventions toward systemic approaches that transform how public resources are generated, allocated and governed. Fiscal reform, financial system alignment and institutional coordination must be understood as central pillars of the transition, rather than complementary measures. Without this transformation, efforts to scale climate action will remain structurally constrained by fiscal and financial systems that continue to incentivize fossil fuel dependence.

The transition is therefore not constrained by a lack of resources, but by how those resources are generated, allocated and governed. Without a fundamental shift in these dynamics, financial systems will continue to reproduce the conditions that delay the transition.

In this context, the COP30 Presidency Roadmap represents a critical opportunity to bridge the gap between global commitments and national implementation. To do so effectively, it must provide clear guidance on how to address structural misalignments, activate enabling conditions and support differentiated transition pathways that reflect countries' fiscal realities, development priorities and institutional capacities.

To enhance its operational value, the Roadmap could support the integration of climate considerations—including financing aspects—into national strategies, with a view to progressively extending these efforts to subnational and regional levels. In this context, the Presidency should ensure clarity and transparency regarding the scope, objectives and process of the Roadmap, building on lessons learned from previous initiatives, including the Baku to Belém Roadmap to 1.3 trillion. The Roadmap could also outline potential next steps that countries may take to advance implementation, both within and beyond the UNFCCC process, including through national policy frameworks, fiscal reforms and international cooperation initiatives.

Ensuring that the transition is just, orderly and equitable requires integrating social, economic and financial considerations in a coherent manner, recognizing that the costs and opportunities of the transition are unevenly distributed. Strengthening access to appropriate forms of finance, particularly concessional and grant-based resources, will be essential to enable countries to implement transition strategies without exacerbating existing vulnerabilities.

Ultimately, aligning financial flows with climate objectives, as reflected in Article 2.1(c) of the Paris Agreement, is not only a long-term goal but a structural condition to enable transitions at the scale required. Without structural transformation of fiscal and financial systems, the transition will remain constrained by the same dynamics that have historically reinforced fossil fuel dependence, limiting the effectiveness of global climate commitments. By addressing structural constraints and advancing integrated and context-specific solutions, the Roadmap can support a transition that is both technically feasible and socially sustainable, contributing to more resilient and equitable development pathways.

By addressing the structural constraints and promoting integrated, context-specific solutions, the COP30 Presidency Roadmap has the potential to play a crucial role in facilitating a transition that is technically feasible, environmentally friendly, and economically viable, while also promoting social sustainability. This can contribute to the development of more resilient, inclusive, and equitable pathways for LAC.