Natural Resource Governance Institute

Submission:
UN Climate Summit 2025: Climate Solutions Dialogues

High-Level Solutions Dialogue on Climate Finance
Renewing dynamism and political support ahead of COP30

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The Natural Resource Governance Institute (NRGI) is an independent, non-profit organization that supports informed, inclusive decision-making about natural resources and the energy transition. We partner with reformers in government and civil society to design and implement just policies based on evidence and the priorities of citizens in resource-rich developing countries.

The climate finance gap is part of systemic failure to adequately fund energy transition needs

- New and additional public finance for climate and energy transition-related priorities in the Global South remains grossly underfunded, across the board. As an example, the estimated cost for sub-Saharan Africa to close the energy poverty gap *and* transition its energy system to a sustainable basis is $500 billion, including related infrastructure spending, and yet only $22 billion was delivered for clean and renewable energy investment for all countries in 2023.
- Financing for national just energy transition priorities in the Global South – including especially financing for the transformation of national oil companies that are keystones for just energy transitions – is both a strategic investment priority and a massive blind spot in current international public finance.
- Non-debt instruments are critical. Of the financing pledged for projects like Senegal's Just Energy Transition Partnership (JETP), only 6.6 percent is in the form of grants, with more than 80 percent is structured as loans.[1] Instead of expanding fiscal space for priority investments, this risks adding pressure to unsustainable debt loads. Governments across Africa already spend nearly 17 percent of their revenues on debt service—the highest of any developing region. Over half of Africans now live in countries that spend more on debt than on health or education.

Just energy transition pathways are key to integrating climate and development goals

[1] Diop, A., N. Quarshie, and F. Diallo (2024), "Senegal's JETP: Lessons, Challenges, Opportunities and the Role of Civil Society," NRGI blog, 11 December 2024.

- Just transition policies, plans, programs and initiatives are central to delivery of nationally-determined contributions (NDCs) under the UNFCCC / Paris Agreement and yet too often fall outside of the scope of climate finance instruments. The United Nations should establish finance for just transition support purposes as a recognized category of climate finance and mobilize additional funding sources to support just transition action.
- NRGI's decades of research and experience accompanying policymakers pursuing sustainable development in low- and middle-income countries rich in oil, gas, and minerals confirms that just transition pathways are relevant and strategic means to marry urgent development priorities and climate action in such contexts.
- National just energy transition strategies can help both to align stakeholders around urgent priorities, including green industrialization and related economic diversification necessary to transition away from fossil fuels, and to avoid fragmented efforts across these areas.
- Development of just energy transition pathways must ensure meaningful inclusion, dialogue and participation, open to multiple stakeholders and to all populations, with special focus on the specific needs of marginalized populations. This starts with sharing relevant information publicly and transparency and extends to providing space for civil society to play a driving role in collective decision-making.[2]
- In line with the recommendations of the UN Secretary-General's Panel on Critical Energy Transition Minerals, there must be an acceleration in responsible and fair finance, trade, and investment, as well as greater benefit-sharing, value addition and economic diversification in critical energy transition minerals value chains.[3]
- Supporting the creation of a Global Just Transition Mechanism will help drive implementation and focus funding on just transition priorities, including integrating fair trade in minerals into planning and implementation.

Country platforms are essential to aligning finance around national just energy transition priorities

- Country platforms are effective means to align a broad base of financing sources and instruments behind country-led plans, such as JETPs launched in Indonesia, Senegal, South Africa, and Vietnam.
- While development of country platforms requires concerted coordination, institutional capacity, and resources, this can pay dividends measured in the scale of finance

[2] Gonzalez, A. C., D. Borja, and J. Peña-Niño (2025), "People-Powered Energy Transitions in Resource- Rich Countries," NRGI report, 9 May 2025.

[3] Resourcing the Energy Transition: Principles to Guide Energy Transition Minerals Towards Equity and Justice. September 2024.

mobilized, strategic coherence, and legitimacy. increased scale and coordination is needed to make country platforms less fragmented and more impactful.

Implement solidarity levies to expand equitable, grant-based flows and bridge climate and energy transition finance gaps

- Solidarity levies such as the premium aviation levy[4] and others researched by the Global Solidarity Levies Task Force (GSLTF) can deliver new and additional flows of finance for adaptation, resilience, and just energy transitions in ways that also satisfy important criteria such as scale, predictability, and international equity.
- For too long, such innovative finance instruments have remained in the realm of rhetoric – now is the time to put the words into action.
- All countries not already part of the premium aviation coalition should join this effort and implement this levy as soon as possible, ensuring the proceeds go to fund adaptation, resilience and just energy transitions in the Global South.
- COP30 must commit to move quickly to establish solidarity levies and other innovative finance sources and mechanisms to fund climate adaptation and just energy transition in the Global South.

There is no statute of limitations on developed country climate finance obligations

- Developed countries are still responsible for the lion's share of historical emissions now driving lethal climate impacts, and their relative wealth means they also have the greatest capacity to finance urgent climate and energy transition priorities in the Global South.
- These countries must honor their finance commitments under the Paris Agreement and play an active role in ensuring new and additional flows of public finance are mobilized as part of the Baku-to-Belém Roadmap to $1.3 Trillion ahead of COP30.

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[4] See Global Solidarity Levies Task Force (2025), "Coalition for Solidarity Levies for Premium Flyers," GSLTF booklet, 16 September 2025.