

CLIMATE VENTURES

Submission to the COP30 Presidency Roadmap on the Transition Away from Fossil Fuels in a Just, Orderly and Equitable Manner

Climate Ventures is pleased to contribute to the COP30 Presidency Roadmap on the Transition Away from Fossil Fuels in a Just, Orderly and Equitable Manner. The inputs below are grounded in evidence from our study on energy transition in Northeast Brazil and extensive engagement with public, private, and financial stakeholders.

a) Key Barriers

The transition is primarily constrained by systemic, rather than purely technological, barriers. The figures below reflect the share of stakeholders interviewed in the study who identified each barrier:

Fragmented planning and lack of long-term vision (91.4%)

Misalignment across federal, state, and sectoral policies reduces predictability and limits the development of a robust project pipeline.

Regulatory and market uncertainty (85.7%)

Innovation outpaces regulation, while the absence of long-term demand signals increases capital costs and investor risk.

Limited technical capacity (65.7%)

A shortage of qualified actors limits the structuring of bankable projects, particularly at subnational level.

Socio-environmental conflicts and reputational risks (65.7%)

Weak safeguards and insufficient community engagement increase local resistance and operational risks.

Infrastructure bottlenecks (54.3%)

Renewable expansion is not matched by transmission and logistics investments, creating system inefficiencies.

Financial barriers and distorted incentives

High cost of capital and limited access to credit, particularly for SMEs, are compounded by persistent fossil fuel subsidies that create an uneven competitive landscape.

Technological and system-level constraints

Low-carbon solutions for hard-to-abate sectors remain costly or immature (e.g., green hydrogen), while renewable intermittency requires large-scale investments in storage and grid expansion.

Carbon lock-in and transition risks

High switching costs delay the phase-out of fossil-based systems, while job displacement in carbon-intensive sectors can generate political and social resistance in the absence of reskilling and social protection.

Data and credibility gaps

Inconsistent climate data and evaluation methodologies increase the risk of greenwashing and undermine investor confidence.

b) Key Levers for Acceleration

Accelerating the transition requires coordinated action across governance, finance, markets, and technology. The figures below reflect the share of stakeholders interviewed in the study who identified each lever as a priority for accelerating implementation.

Integrated governance and coordination (91.4%)

Aligning public and private actors is critical to reduce fragmentation.

Blended finance and cost of capital reduction (85.7%)

Concessional capital, guarantees, and climate funds help de-risk projects and mobilize private investment at scale.

Regulatory stability (65.7%)

Clear and adaptive frameworks are required to support emerging technologies such as green hydrogen and storage.

Demand creation and market signaling (65.7%)

Industrial hubs and long-term contracts (PPAs) are key to providing certainty and unlocking investment.

Just transition and social legitimacy (54.3%)

Embedding safeguards and social impact metrics ensures community acceptance and reduces risks.

Project preparation and territorial planning

Regional platforms and integrated roadmaps are essential to increase project bankability.

Carbon pricing and market-based instruments

Carbon taxes and cap-and-trade systems are among the most effective tools to internalize emissions costs and drive innovation.

Financial innovation and incentives

Instruments such as sustainability-linked loans (SLLs) provide direct financial incentives for achieving decarbonization targets.

Public procurement and state leadership

Governments can act as first movers through green procurement and demand creation mechanisms.

Regulatory sandboxes and innovation ecosystems

Multi-regulatory sandboxes can accelerate the deployment of new technologies by reducing uncertainty and approval timelines.

Electrification and enabling infrastructure

Mass adoption of electric mobility and advances in grid-scale battery storage are critical to support variable renewable energy.

Mandatory standards and policy signals

Regulatory mandates (e.g., phase-out of internal combustion engines or renewable energy targets) can accelerate system-wide transformation.

c) Lessons and Best Practices

Key lessons from Brazil and international experience highlight the importance of aligning industrial policy, finance, and territorial development:

Territorial coordination as a foundation for implementation

Regional approaches, such as the Northeast Ecological Transformation Plan, enable alignment between climate goals and economic development strategies.

“Powershoring” as an industrial strategy

Attracting energy-intensive industries to regions with abundant and competitive renewable energy can transform natural advantages into higher value-added local supply chains.

Integration with the regenerative bioeconomy

Linking energy transition strategies with rural development, through biofuels, bio-inputs, and the use of degraded land, enhances inclusion and economic diversification.

Leveraging policy windows and political momentum

Moments such as COP30 and national climate planning processes can be used to institutionalize green industrial policy as a long-term state agenda.

Ecosystem orchestration and data interoperability

Platforms such as innovation mapping initiatives and green solution hubs can improve coordination, visibility, and matchmaking across stakeholders.

Industrial policy at scale drives market transformation

Large-scale programs, such as the Inflation Reduction Act (IRA), demonstrate how fiscal incentives and subsidies can rapidly mobilize private investment and create demand for clean technologies.

Carbon border adjustments reshape global competitiveness

Mechanisms such as the EU Carbon Border Adjustment Mechanism (CBAM) help prevent carbon leakage and incentivize decarbonization across global value chains.

International cooperation enables accelerated transitions

Mechanisms such as Just Energy Transition Partnerships (JETPs) and the Energy Transition Mechanism (ETM) are critical to support coal phase-out and system transformation in emerging economies.

Emerging national instruments require scale and consistency

Initiatives such as Brazil's Emissions Trading System (SBCE), Ecoinvest, and BNDES financing lines are promising but depend on long-term policy stability and implementation capacity.

(d) Just, Orderly and Equitable Transition

A just transition must reflect structural asymmetries across countries, regions, and socioeconomic groups, while ensuring that decarbonization and development objectives advance together:

Leverage local assets and existing infrastructure

Industrial reconversion strategies should build on existing capabilities, such as ports, logistics, and energy infrastructure, to enable new value chains (e.g., green hydrogen and biofuels).

Translate global targets into territorial strategies

Territorial roadmaps are essential to adapt climate goals to specific contexts, including semi-arid and coastal regions, considering local constraints and opportunities.

Ensure robust socio-environmental safeguards

Strong safeguards are critical to protect communities and ensure that economic benefits, such as jobs and income, remain within the territory.

Promote inclusion of SMEs and rural producers

A just transition requires access to credit and technical assistance to enable smaller actors to participate in emerging green value chains.

Invest in human capital at scale

Workforce development and reskilling are preconditions for enabling local populations to access new employment opportunities.

Strengthen subnational financial capacity

Credit enhancement mechanisms are essential to unlock green Public-Private Partnerships (PPPs), particularly in sectors such as sanitation and clean mobility.

Align public procurement with territorial development

Procurement policies and incentives should prioritize regional opportunities based on biome characteristics and productive vocations, including through inter-municipal and interstate coordination.

Ensure international equity and differentiated responsibilities

Developed countries must provide financial, technological, and capacity-building support, reflecting their historical responsibility for emissions.

Address fossil fuel dependency with long-term strategies

In highly fossil-dependent economies, abrupt demand shocks can generate severe macroeconomic and social impacts. Transition pathways must include long-term financing and strategies for economic diversification.

Avoid exacerbating poverty and inequality

Transition strategies must guarantee affordable access to energy and essential services, particularly in developing countries.

Embed social protection and reskilling mechanisms

Initiatives such as global employment and social protection programs can support workers and communities affected by the transition.

Adopt inclusive and participatory governance

Transition processes must be co-designed with Indigenous peoples and vulnerable communities, ensuring that those most affected have a voice in decision-making.

A handwritten signature in black ink, appearing to read "Daniel Contrucci".

Daniel Contrucci
Founder and Co-CEO