UNFCCC Call for Views – COP 30

Climate Fund Managers

*As we prepare the report on the Roadmap, we would like to invite Parties, constituted bodies, operating entities of the Financial Mechanism, climate finance institutions, observers and observer organizations, and other stakeholders, particularly from the private sector, to submit their views on the following questions via e-mail to climatefinance@unfccc.int by **10 September 2025**:*

a) Priority short-term (by the end of 2028) and medium-to-long-term (beyond 2028) actions necessary to enable the scaling up of financing for climate action to developing countries

Climate Fund Managers (CFM) is a climate-centric blended finance fund manager, specialising in designing and managing scalable, high-impact solutions for investments in climate-focused infrastructure projects in emerging markets.

The fund employs the **Climate Investor Model**, a blended finance approach across CFM's funds, to ensure the catalytic use of concessional finance to mobilise private capital and provide financing throughout the project lifecycle in some of the most challenging sectors and countries most vulnerable to climate change. CFM employs an innovative whole-of-life financing approach utilizing two independent but operationally inter-linked funds. The fund architecture leverages a blended finance approach, combining public and private funds to maximize impact and reach. The structure is segmented into two sub-funds: the Development Fund (DF) and the Construction Equity Fund (CEF). The DF funded entirely by concessional capital providers, supports pre-construction activities such as feasibility, design, and planning. The CEF supports the construction and operational stages of the project companies. It operates through a structured three-tier approach, combining capital with a different risk and return profile to match the preferences of multiple classes of investors:

Short-term actions (by 2028):
A key short term solution to enable the scaling up of financing for climate action to developing countries is the **provision of catalytic first-loss financing**, as employed in the Climate Investor Model. The DF, funded by concessional capital providers, offers technical, financial, and environmental assistance through returnable grants, leveraging donor capital to mitigate development risks. The DF is a unique feature of CFM-managed funds from other fund managers, which de-risks certain development-related risks of infrastructure investments for CFM's Commercial Investors. The Tier 1 of CEF, ~20% of fund size, a junior equity tranche, are also sourced from concessional investors. This act as a first-loss buffer, absorbing initial losses and lowering the overall blended cost of capital. It helps cover risks such as construction delays, currency volatility, and offtaker creditworthiness—unlocking private capital at scale and delivering higher mobilisation ratios for scarce public funds. By reducing long lead times that deter commercial investors, first-loss capital improves bankability and accelerates financial close. With this approach, CFM has successfully mobilised USD 4 in private finance for every USD 1 of public capital in its funds.

Medium- to long-term actions (beyond 2028):
Large global asset owners and institutional investors (such as pension funds, insurers, sovereign wealth funds) still remain under-exposed to emerging market climate action (NGFS, 2023). Particularly in private

equity, these investors require large ticket sizes, while most climate projects in emerging markets remain mid-sized. Perceived country and sector risks also deter allocations. Over time, as more data and track record build up, blended finance and innovative fund structures will create **clear pathways for institutional investors**. By aggregating projects into larger vehicles, deploying risk-sharing mechanisms, and embedding robust governance, blended finance can channel institutional capital into climate action in developing countries, unlocking impact at scale.

b) Strategies to enhance and scale up public and private financing for climate adaptation, especially in vulnerable regions

Climate Investor Two (CI2) is CFM's second blended finance facility, focused on delivering water, sanitation, and oceans infrastructure in emerging markets. Launched in 2019 in partnership with the **Dutch Fund for Climate and Development (DFCD)** and the **European Commission**, CI2 mobilises private sector investment at scale in water, waste management, and oceans projects. CI2 is supported by DFIs, multilateral institutions, banks, and commercial investors globally, and provides financing across the entire project lifecycle—from design and construction through to operations and refinancing.

CI2 demonstrates how blended finance can scale climate adaptation solutions in vulnerable regions across Latin America, Africa, and Asia. A key strategy is aggregation—bundling small, fragmented adaptation projects into larger, diversified portfolios. This addresses the barriers of scale, transaction costs, and risk that often deter private investment. Standardisation—through harmonised documentation, investment criteria, and risk management—further improves comparability and confidence for investors. By aggregating and standardising projects, adaptation finance becomes more attractive to institutional and commercial investors, who require scale and predictable risk-adjusted returns. Evidence supports this approach: studies, including UNDP's Climate Aggregation Platform (2022), show that standardised aggregation lowers financing costs, improves bankability, and expands access in developing markets.

c) Experiences, proposals, or approaches to mobilise USD 1.3 trillion in financing

In June 2025, the UNFCCC Standing Committee on Finance highlighted that developing countries face higher costs in pursuing climate action due to debt vulnerabilities, limited fiscal space, pressing development priorities, and tightening global financial conditions. Transition risks—including potential loss of competitiveness, slower economic growth, and development setbacks—further intensify these challenges. The private sector, holding the majority of global capital, must play a critical role in bridging this financing gap. One promising approach is to establish **investment vehicles managed off government balance sheets**. Structured as public–private platforms or special-purpose funds, these vehicles blend grants, concessional finance, and private capital, operating under transparent governance while remaining outside sovereign liabilities. Such funds can i) Expand fiscal space without worsening debt burdens. ii) Build pipelines of climate projects aligned with Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). iii) Operate with robust accountability and at arm's length from government, ensuring credibility and investor confidence. This model allows governments in vulnerable regions to catalyse investment in adaptation and resilience even under fiscal stress, while mobilising significant private co-finance.

d) Key actors and multilateral initiatives to support delivery of the USD 1.3 trillion target

Export Credit Agencies (ECAs)—public financial institutions that provide insurance, guarantees, loans, and equity to support international trade—hold untapped potential to catalyse private investment in climate projects globally, especially in emerging and vulnerable markets. Their risk mitigation tools can de-risk renewable energy and adaptation infrastructure at scale. Recent research covering over 900 energy deals shows that ECA-backed renewable energy financing rose sharply from ~USD 3 billion in H1 2022 to ~USD 24 billion in 2023 (Censkowsky et al., 2025). However, ECAs' overall contribution to climate finance remains limited, and greater transparency, climate-related mandates, and international cooperation are needed (Klasen, Mihan & Sen, 2025;). By strategically engaging ECAs alongside DFIs, MDBs, and institutional investors, the global community can unlock large-scale private capital and deliver on the USD 1.3 trillion climate finance target.

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