ENGO-Demand Climate Justice (DCJ) submission to the Baku to Belem Roadmap to 1.3 trillion

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What are 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? Based on experience to date and evidence, what can those actions contribute to in terms of progress in enabling the scaling up of financing?

By 2028, priority actions must deliver real, scaled, and non-debt-creating public climate finance rather than empty promises. Estimates show that at least $5 trillion per year in climate debt is owed by the Global North to the Global South, and that developed countries can unlock at least $5.3 trillion a year in public finance if they end fossil fuel handouts, make polluters pay and change unfair global financial rules, yet current pledges fall far short of this reality.

Meeting this scale requires fully funding and operationalising the UNFCCC climate finance mechanisms—including the Fund for Responding to Loss and Damage, the Green Climate Fund, the Green Environment Facility, as well as the Adaptation Fund—as the primary channels for delivering climate finance. These funds must be resourced according to the actual scale of need with ambitious replenishments, provided as grants-based public finance, and made directly accessible to people, institutions, and communities in the Global South.

At the same time, the New Collective Quantified Goal (NCQG) must establish sub-targets for mitigation, adaptation, loss and damage, and just transition. To allow effective monitoring and accountability, progress toward each sub-target must be transparently tracked and reported in disaggregated form, prioritising grant-based finance rather than inflated figures padded with loans or private finance flows. In addition, there is a need for a robust and universally agreed definition of climate finance that clarifies what should be and should not be counted. Financing for activities inconsistent with the 1.5 degree limit, such as fossil fuel projects, carbon credits used to offset emissions, or loans that increase debt burdens, must be explicitly excluded. Such clarity is critical to identify the largest delivery gaps, particularly in adaptation and loss and damage, which remain systematically underfunded. This makes the NCQG not only a target-setting exercise but also a mechanism for accountability and course correction from the decades of undelivered promises of the Global North.

To remain credible and responsive, the NCQG must also be subject to regular, transparent periodic updates. These updates should not only assess delivery against the sub-targets, highlight where gaps persist, and recommend corrective action to urge the Global North to deliver their obligation, but also serve as a mechanism to ratchet up ambition on climate finance annually. Targets must be regularly increased to reflect escalating climate impacts and the increasing climate needs of the Global South This process will help ensure that finance flows remain aligned with evolving science, actual needs on the ground, and the principles of equity and justice.

To raise the necessary resources, polluters must be made to pay through windfall and wealth taxes, solidarity levies, and the elimination of public subsidies and finance for fossil fuels especially in the Global North, with redirected resources channelled into climate finance. Automatic suspension of debt payments following climate shocks, expanded debt cancellation, and the removal of harmful conditionalities to free up fiscal space of Global South economies immediately must also be implemented. The money needed for scaled climate finance already exists in global public spending. Governments spend up to $1.7 trillion annually on fossil fuel subsidies. Even a modest redirection of these resources would dwarf the less than $100 billion presently delivered under the UNFCCC, while sending a clear signal that global priorities are shifting from propping up polluters to safeguarding people and the planet. For example, captured windfall profits from fossil fuel companies alone, which is estimated at around $400 billion annually, could cover current loss and damage needs by vulnerable developing countries.

Taken together, these measures can move resources from billions to trillions without relying on public to private leveraging approaches that have been tried and tested and have not delivered the scale, distribution or quality of funding that is needed, ensure faster and fairer access to climate finance, and start correcting the imbalance that has long sidelined adaptation, loss and damage, and just transition.

What must be done by 2028:

- Global North governments must fully fund and operationalise the UNFCCC finance mechanisms—the Fund for Responding to Loss and Damage (FRLD), the Green Climate Fund (GCF), and the Adaptation Fund—as the central channels for climate finance delivery. This requires ambitious replenishments, including GEF-9 and the upcoming GCF-3 in 2026, alongside significantly scaled-up contributions to the Adaptation Fund. The FRLD must be resourced without delay at the scale needed to meet the real loss and damage needs of developing countries, with a long-term replenishment and resource mobilisation strategy established no later than 2025.
- Establish NCQG sub-targets for mitigation, adaptation, loss & damage, and just transition, with transparent tracking and disaggregated reporting.
- Implement regular periodic updates of the NCQG to ensure accountability and course correction.
- Scale up grant-based public finance; end reliance on loans and failed public-to-private leveraging models.
- Raise resources through polluter-pays instruments such as adoption of windfall and wealth taxes, solidarity levies, subsidy elimination.
- Suspension of debt after climate shocks, expanded debt cancellation, and removal of harmful conditionalities.
- Guarantee direct access for Global South communities, local institutions, and vulnerable sectors.

Beyond 2028, the priority must be to embed these measures into durable structures that guarantee predictable and justice-based finance. This includes institutionalising permanent global revenue measures such as levies on fossil extraction, shipping, aviation, and financial transactions under a UN Tax Convention, alongside wealth and windfall taxes that apply the polluter-pays principle at scale. Fossil fuel subsidies that are not aimed at poverty eradication and achievement of sustainable development goals must be fully eliminated, with Global North countries moving first and fastest and with public resources redirected to climate action including shifting to renewable energy systems and just transition measures. In parallel, systemic transformation of international financial institutions is essential. This includes establishing a UN Framework on Sovereign Debt to deliver fair and timely debt workouts and limiting the role of multilateral development banks (MDBs) that profit from extending loans rather than delivering real solutions.

What can be done beyond 2028:

- Institutionalise permanent global revenue measures under a UN Tax Convention.
- End fossil fuel subsidies that are not aimed at poverty eradication and achievement of sustainable development goals with Global North countries moving first and fastest.
- Redirect public resources toward renewable energy systems and just transition programs.
- Establish a UN Framework on Sovereign Debt to deliver fair, timely, and durable debt resolution.
- Limit the role of MDBs profiting from debt, shifting instead to predictable, grant-based public finance.

What strategies can be implemented to enhance and scale up public and private financing mechanisms for climate adaptation, especially in vulnerable regions?

The UN Adaptation Gap Report 2024 estimated the adaptation finance gap at $187–359 billion per year by 2030, yet only $28 billion in international public finance was dedicated to adaptation in 2022. At the same time, National Adaptation Plans submitted by developing countries estimate total adaptation finance needs at $842-844 billion. This staggering shortfall lays bare the failure of the Global North to meet its obligations, especially when set against the trillions of dollars still poured annually into fossil fuel subsidies.

Scaling adaptation finance in vulnerable regions requires urgent delivery of public, grant-based finance, not loans, speculative instruments, or market mechanisms. Private finance cannot substitute for public climate finance obligations, and may only play a strictly complementary role under rules that prioritize people and communities over profit. Public-led blended finance should only be deployed where it demonstrably lowers costs for beneficiaries, such as in water security or resilient housing, with hard caps on private sector returns and full transparency. Anything else risks solely serving private interests while leaving vulnerable communities behind.

Additionally, the loan-heavy and market-driven approaches promoted by Multilateral Development Banks (MDBs) must be rejected, as they worsen debt crises and divert scarce resources away from urgent adaptation needs. The primary obligation lies with Global North governments, who must deliver scaled-up, grant-based public finance in line with their historical responsibilities, rather than outsourcing their commitments to profit-driven private actors.

Strategies to scale up adaptation finance include:

1. Hold Global North governments accountable for their failure to deliver public, non-debt-creating climate finance. Establish a strict system of accounting that tracks the performance of individual governments, making visible who is meeting or evading their obligations.

2. Ensure balanced allocation across needs by setting clear agreements, monitoring, and accountability mechanisms so that finance flows are equitably distributed across mitigation, adaptation, loss and damage, and just transition.

3. Define climate finance clearly to exclude activities inconsistent with 1.5°C, such as fossil fuel projects and associated infrastructure, carbon offsets, and commercial loans that worsen debt burdens.

4. Regulate private and blended finance to ensure it remains strictly complementary and never a substitute for public finance obligations. Private finance should not be counted as climate finance delivery by Global North governments, nor replace the scaled-up grant-based public finance that is owed. Where used, it must be tightly regulated to directly lower costs for people and communities, not maximize investor returns, with hard caps on profits and full transparency.

5. End harmful MDB practices by rejecting loan-heavy, market-driven approaches that create debt dependency, and instead shifting towards predictable, grant-based public finance channeled primarily through UNFCCC mechanisms.

6. Expand fiscal space in the Global South by implementing automatic debt suspension following climate shocks, broad debt cancellation, and ending harmful policy conditionalities that hinder governments and communities from implementing the adaptation and resilience programs they urgently need.

What other experiences, proposals or approaches could help inform and accelerate efforts to mobilize USD 1.3 trillion in financing, including through grants, non-debt creating instruments, new sources of finance, and strategies to create fiscal space?

A central lesson from climate negotiations is that words and declarations, or even voluntary commitments, are not enough. The Global North owes a huge historic and present climate debt to the Global South, measured in the trillions of dollars annually, and meeting the $1.3 trillion financing target depends entirely on honoring these obligations. The recent [ICJ Advisory Opinion] confirms that developed countries party to the UNFCCC and the Paris Agreement have legal obligations to provide climate finance under international law. This places responsibility squarely on Global North countries to deliver scaled-up, grant-based, and non-debt-creating finance, not to outsource obligations to private actors or disguise loans and false-market solutions as progress.

The most effective approach to mobilizing $1.3 trillion is for the Global North to pay its climate debt in full through UNFCCC finance mechanisms, ensuring that flows are adequate, accessible, predictable, and grant-based, including by unlocking public finance through supporting financial system transformation (debt and tax justice, ending fossil fuel finance and subsidies). Private finance must remain strictly complementary, governed by rules that put people before profit, or else it will only deepen inequality and shift burdens onto the Global South who are least responsible for the climate crisis.

The resources exist. Global military spending hit $2.72 trillion in 2024, the sharpest annual rise since the Cold War, while Global North governments continue to allocate vast budgets to military expansion and enable war crimes through arms supply. Redirecting even a fraction of these sums toward climate finance would not only meet but surpass the $1.3 trillion goal. What is required is not another cycle of pledges, but the real transfer of resources owed delivered as a matter of legal obligation, justice, and reparations.

What key actors and existing multilateral initiatives should be considered or involved, as appropriate, to support the delivery of the USD 1.3 trillion target?

The delivery of the USD 1.3 trillion target must begin with Global North governments, who bear the primary legal and moral obligation to provide grant-based public finance in line with their climate debt and their obligations under the Paris Agreement and the UNFCCC. The recent ICJ Advisory Opinion reinforces that these duties are not optional political gestures but legal obligations for States party to the UNFCCC and Paris Agreement. Delivery should be channelled principally through UNFCCC climate finance mechanisms that must be strengthened as the primary channels of delivery, not sidelined by market-driven schemes or repackaged loan-heavy instruments from Multilateral Development Banks (MDBs).

Global South governments must also be empowered and resourced to implement the programs their people need. This requires not only proactive national planning and budgeting for adaptation, mitigation, loss and damage, and just transition, but also predictable and sustained grant flows that allow governments to plan beyond short-term project cycles. Access to climate finance must not be obstructed by layers of policy conditionalities imposed by the Global North, Multilateral Development Banks (MDBs), and international financial institutions. Austerity measures, privatization requirements, or restrictions on fiscal policy undermine sovereignty, shrink fiscal space, and block Global South countries from directing resources where they are most urgently needed.

Finance must flow without strings that reinforce dependency or neoliberal prescriptions. Grants and other non-debt creating instruments should be provided in ways that respect national ownership, strengthen domestic institutions, expand fiscal space and must not be used as leverage to advance trade agendas, private sector interests, or geopolitical influence.

Implementation must also centre the voices and leadership of affected communities and vulnerable sectors. Women, Indigenous Peoples, workers, small-scale farmers, youth, and frontline communities are not merely “beneficiaries” but knowledge holders and agents of solutions. Yet current climate finance systems often require them to navigate complex application procedures, meet donor-driven reporting requirements, or partner with intermediaries that dilute their agency. Direct access must be guaranteed, ensuring that funds can flow down to communities without being filtered through profit-driven intermediaries. These constituencies must also be guaranteed seats at decision-making tables and resources for community-led solutions that reflect local knowledge, priorities, and visions of resilience.

In short, empowering the Global South means removing the structural barriers that perpetuate inequality, while ensuring that climate resources reach the people and communities who need them most.