



Global Climate Finance Forum

Submission to the CMA 6 and CMA 7 Presidencies on the Baku to Belém Roadmap to 1.3T

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About the Global Climate Finance Forum (GCFF)

The Global Climate Finance Forum (GCFF) is a multi-stakeholder platform focused on accelerating climate finance for small and medium-sized enterprises (SMEs) that deliver climate solutions across the Global South¹. GCFF brings together over 40 investors, entrepreneurs, policymakers, and thought leaders to co-develop strategies that localize capital, de-risk investment, and dismantle systemic barriers preventing scalable finance for climate solutions.

Held in April 2025 in Montego Bay, Jamaica, the first GCFF demonstrated the impact that climate SMEs are delivering through viable, scalable models—from solar distribution in Africa to agroforestry hubs in Brazil—yet these enterprises continue to face disproportionately high costs of capital, policy bottlenecks, and limited visibility in global finance flows.

The Forum catalyzed over 20 concrete commitments and has since established a Secretariat to drive implementation and advocate for SME-aligned reforms heading into COP30 and beyond.

Why climate SMEs matter for the Roadmap

Climate SMEs are already demonstrating viable, scalable models that deliver measurable impact across energy, food systems, mobility, and circular economy solutions. Yet there is a persistent misalignment: while climate innovation is flourishing at the SME level, the majority of finance continues to be wired for large, risk-averse, and distant investments.

In short, the system is not calibrated to support those delivering results on the ground. The result is a distorted system that favors large-scale projects and legacy actors, while starving the innovation that is actually working. **Unless the Roadmap explicitly integrates SMEs that deliver climate solutions, with a time-bound commitment to track the volume of climate finance devolved to SMEs, the ambition to scale climate finance to developing economies will remain out of reach.**

¹ The Global South is defined as low- and middle-income countries, as well as low- and middle-income and underserved communities within high-income countries.

1. 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?

Short-term (to 2028) – Phase 1: Enable local financial systems to channel climate finance

- **Strengthen the role of local financial institutions** — including credit unions, cooperatives, retail/commercial banks, community-managed funds, asset managers, and impact investors. With their deep knowledge of local capital markets and proximity to SMEs, these institutions are best positioned to align finance with local realities, ensure capital reaches where it can have the greatest impact, and act as co-creators of climate strategies and as SME-aligned delivery vehicles.
- **Build local climate finance capacity** by incentivizing the growth of asset managers specialized in climate investments, through targeted capacity-building efforts and co-investment models led by governments and private investors.
- **Promote adoption of finance structures and risk-sharing instruments** tailored to SME realities — such as pooled hedging facilities, concessional layers, credit enhancements, results-based finance, revenue-backed contracts, portfolio guarantees, and regional blended-finance platforms — to lower the cost of capital and create replicable models. These tools are essential to make the \$1.3 trillion goal accessible to smaller actors with scalable climate impact.

Medium-to-long-term (beyond 2028) – Phase 2: Facilitate and scale flows of finance to climate SMEs

- **Institutionalize allocations** from sovereign wealth funds and pension funds toward climate SMEs once local delivery systems are in place.
- **Develop a searchable registry** of investable climate SMEs and regional aggregators, integrating both financial and impact data for matchmaking with investors and contributing to the Roadmap’s repository of best practices and knowledge-sharing objectives.
- **Map and promote regional and national initiatives** that can channel capital to SME-aligned delivery vehicles, ensuring these institutions and structures are visible, connected, and able to absorb larger flows of climate finance.
- **Scale** regional blended-finance platforms, portfolio guarantees, and impact-linked loans to deliver capital directly to climate SMEs proven investable through Phase 1.
- **Adopt a performance indicator** within the Roadmap to monitor the share of climate finance reaching SMEs directly or through SME-aligned intermediaries.
- **Embed SME-aligned reporting and transparency tools** in UNFCCC mechanisms, recognizing climate SMEs as implementers, not beneficiaries, and ensuring their contributions are systematically tracked.

Contribution: By first enabling local financial systems (Phase 1) and then facilitating and scaling the flows of finance (Phase 2), the Roadmap can shift from systemic preparation to scaled delivery. This sequencing ensures that the USD 1.3 trillion goal is not only mobilized but also reaches the ground where climate solutions are implemented.

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

As with mitigation finance, adaptation finance should first strengthen local systems (Phase 1) and then facilitate scaled flows to SMEs and communities (Phase 2).

- **Strengthen local financial institutions** — credit unions, cooperatives, retail/commercial banks, community-managed funds, asset managers, and impact investors — as frontline delivery vehicles for adaptation.
- **Deploy results-based finance, revenue-backed instruments, and guarantees** tailored to SME and regional realities.
- **Pair finance with technical assistance** to strengthen SME investor-readiness, governance, and risk communication.
- **Expand SME Climate Solutions Forums** at COP and regional levels to showcase investable adaptation enterprises, enabling practical engagement between Parties and local actors.
- **Prioritize system-wide adaptation models** — such as agroforestry and distributed energy systems — that deliver co-benefits for food, water, livelihoods, and resilience.

Beyond strengthening local systems and instruments, clear political signaling is critical to unlock private capital for adaptation. Without credible, consistent direction from governments and multilateral processes, investors face uncertainty that stalls or distorts adaptation flows.

Signals could include:

- **A collective goal** on finance for adaptation at the UNFCCC.
- **National adaptation plans** that identify priority sectors, pipeline projects, and enabling policies, giving clarity to investors.
- **Adaptation finance targets** (e.g., % of public budgets or climate finance directed to resilience, embedded in NDCs and NAPs).
- **Policy mandates and standards** that create demand for adaptation solutions, such as climate-resilient building codes, water efficiency requirements, or insurance regulations that reward risk-reduction investments.
- **Public-private partnerships frameworks** that explicitly include SME participation, backed by co-financing and risk-sharing instruments.
- **Regular political stocktakes** on adaptation finance progress (linked to the GST) to maintain accountability and visibility.

These signals ensure that private actors view adaptation not as discretionary or peripheral, but as a central, investable component of climate action, as it should be.

3. 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?

- **Mobilize grants and non-debt instruments** (catalytic guarantees, revenue-backed facilities) to make finance accessible for climate SMEs.
- **Harness new sources of finance**, including impact-linked loans, supply chain finance, and regionally structured funds (such as SPVs, REITs, or crowdfunded platforms) tailored to SMEs.
- **Mobilize domestic and international capital** by adopting tax incentives, regulatory allowances, and reforms that channel domestic savings into climate SMEs, while aligning with disclosure and risk standards.
- **Create fiscal space by introducing domestic solidarity levies.** Countries adopting such levies could access step-down sustainability-linked loans or bonds, with lower coupon rates tied to maintaining the levy. This links sovereign borrowing costs to climate policy implementation while directing funds to climate SMEs.
- **Adopt SME-aligned reporting** in the Global Climate Action Portal to make transparency actionable and inclusive, ensuring smaller actors can track and report impact without prohibitive requirements.
- **Lead narrative-shifting initiatives** to showcase SMEs as viable, investable, and systemic actors, correcting misperceptions of risk and drawing from lessons learned in existing initiatives.

4. 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?

- **Local financial institutions:** credit unions, cooperatives, retail/commercial banks, community-managed funds, asset managers, and impact investors, which are closest to SME realities and well-positioned to align finance with regional contexts.
- **Large-scale institutional investors:** sovereign wealth funds and pension funds, which should allocate a defined share of their portfolios toward climate SMEs.
- **UNFCCC frameworks:** Marrakech Partnership Activation Groups, the Climate Champions' "Climate-Proofing SMEs" campaign, and the Global Climate Action Portal. There has to be coherence between these frameworks and the Circle of Finance Ministers. Coordination between negotiation and mobilization tracks is essential to elevate SMEs as legitimate, scalable actors across the full ecosystem of climate response.
- **Civil society and private sector networks:** impact investors, blended finance coalitions, and Global South entrepreneur-led alliances.

The GCFF underscores that the Roadmap will only succeed if it explicitly integrates climate SMEs driving innovation and impact across the Global South, which are a vital but often overlooked part of the solution to combating climate change. Proven, investable solutions already exist in the Global South; what is needed now is the system-level shift to rewire financial systems, policies, and instruments to finance them at scale. Without this integration, the Roadmap risks reinforcing the distortions that have kept finance from those delivering results on the ground.

GCFF members stand ready to support the Presidencies in advancing these proposals towards a climate finance system that is equitable, efficient, and effective.

GCFF welcomes enquiries and offers of collaboration. These can be directed to the Secretariat at info@globalclimatefinanceforum.com.