

# Baku to Belém Roadmap to 1.3 Trillion

*The Loss and Damage Youth Coalition’s second submission on the “Baku to Belém Roadmap to 1.3 Trillion”*

The Loss and Damage Youth Coalition (LDYC) appreciates the opportunity to make a 2nd submission in response to the call made by the CMA6 and CMA7 presidencies for submission on the “Baku to Belém Roadmap to 1.3 Trillion”, a key element of the New Collective Quantified Goal on Climate Finance (NCQG) COP29’s decision and a key anticipated agenda at COP30.

## About Loss and Damage Youth Coalition

Established after COP25, the [Loss and Damage Youth Coalition](#) unites young activists, negotiators, researchers and professionals from the Global South and North to hold leaders accountable for tackling climate loss and damage. We amplify marginalized voices in international negotiations, share lived experiences worldwide and produce evidence-based research while mobilizing finance for youth-led action at community and national levels. Our advocacy drives public awareness and presses for ambitious policy solutions on loss and damage.

## Background

COP29 betrayed our hopes and expectations for a conference held in the spirit of multilateralism. With a massive gap between the climate finance needed on the ground and the funds delivered by developed countries, COP29 was an opportunity to begin redressing the injustice faced by the most vulnerable countries and communities which have done the least to cause the climate breakdown we are enduring today. Yet while developing countries requested \$1.3 trillion per year, the final agreement committed just \$300 billion annually by 2035. This outcome shifts responsibility onto actors such as the private sector—entities that have never signed the UN Framework Convention on Climate Change or the Paris Agreement and that, in many cases, continue to exploit both the planet and its people. We, the youth from frontline communities, cannot forget this betrayal in Baku and express our grave concern at centering the private sector as a source of climate finance, thereby granting developed countries a pretext to withhold new, additional, accessible, predictable, and grant-based public funding. As of April 2025, only USD 768 million has been pledged to the Fund for Responding to Loss and Damage (FRLD) by 27

contributors.<sup>1</sup> Current pledges are merely a drop in the ocean relative to the needs of developing countries. To make it worse, the new goal doesn't explicitly include loss and damage.

Today's young people and the generations that follow will bear the brunt of the climate crisis's most severe consequences. The IPCC warns that children who were ten years old or younger in 2020 are projected to experience nearly four times as many extreme events by 2100 under 1.5 °C of global warming, and almost five times as many under 3 °C. By contrast, someone who was 55 in 2020 would not face any comparable increase in their remaining lifetime under either warming scenario.<sup>2</sup> Being among those most affected by climate-induced loss and damage, we view this submission as an opportunity to help shape the "Baku to Belém Roadmap" for scaling climate finance to \$1.3 trillion per year for developing countries and communities by 2035, by sharing our concerns and priorities. In this submission, we build on our initial contribution from February 2025 and focus specifically on loss and damage.

### Our overall expectation from the Baku to Belém Roadmap

The roadmap should be a clear, transparent, accountable, and actionable plan that scales up both the quality and quantity of climate finance available for developing countries to strengthen their ability to take action on adaptation, mitigation, and loss and damage as the three pillars of climate action.

Our specific expectations of the road map are:

1. **Developed countries must commit to closing the financial gap:** Public finance should be the core of the roadmap. Beyond the 300 billion, developed countries must remain the pillar of public finance availability and provision, particularly for adaptation and loss & damage. The roadmap should send a clear signal for the closing of the gap on adaptation and loss and damage finance, which remains consistently underfinanced with minimal attention for replenishment and scalability.
2. **Must define and state with clarity the source of climate finance for the 1.3 trillion:** Based on the current reality of developing countries, where their right to development is strongly linked to their ability to be climate resilient, there is a need to harmonize the availability of finance in a sustainable manner that prioritizes people over profit. Efforts outside the UNFCCC, such as global solidarity levies, the reform of international finance architectures, and the 'taxing polluter' principle,

<sup>1</sup> <https://unfccc.int/topics/climate-finance/funds-entities-bodies/fund-for-responding-to-loss-and-damage>

<sup>2</sup> <https://www.ipcc.ch/report/ar6/wg2/about/frequently-asked-questions/keyfaq3/>

should be set with clear targets, goals, and a defined timeline to optimise their effectiveness. The source of finance should be made publicly available for consultation and review.

3. **A definition of climate finance to strengthen the quality and quantity of finance in a transparent and accountable manner:** The provision and mobilisation of climate finance are the responsibilities of developed countries, and developing countries that are particularly vulnerable to the negative impacts of climate change need access to climate finance, which does not exacerbate debts. The definition must also distinguish public finance from the private sector and the multilateral development banks' (MDBs') engagement in climate action.
4. **The road map must have a third pillar on "Loss and Damage":** It is essential and crucial to ensure the continuity of predictable, accessible, quantifiable, clear, and grant-based finance for action to respond to loss and damage in the FRLD. It remains uncertain whether all the pledges for loss and damage will turn into contributions or whether developing countries will have direct access to the fund while being able to strengthen the national response for loss and damage. As such, the road map should include "loss and damage" in a manner that is separate from "adaptation" similar to the outcome of the first global stocktake.
5. **Adequate reflections of youth leaders on climate action:** We are a generation of youth actors, and it is essential to recognize the youth-led and grassroots initiatives for climate actions within their communities and respective countries. The roadmap should send a strong signal of available finance for youth-led organizations and grassroots initiatives that is accessible while recognizing that there will be no one-size-fits-all solution. Youth, grassroots organizations, and frontline communities need to have direct access, especially to conduct actions to minimize loss and damage (i.e, adaptation) as well as actions to address loss and damage.
  - 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. 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 priority (by the end of 2028) on Loss and Damage**

1. The roadmap of \$1.3 trillion should include a dedicated section on loss and damage to meet the scale of the needs of the range between \$300 billion and 600 billion a

year by 2030. This will help reduce the cost of addressing escalating climate events, beyond mitigation and adaptation.

2. Loss and Damage should be mainstreamed in policies at the local and national levels, with a focus on non-economic losses and damages such as the impact on cultural heritage, Indigenous knowledge systems, population displacement, and the loss of lives, among others.
3. In the short, medium, and long-term, developed countries should provide significant public finance to developing countries, as per article 9.1 of the Paris Agreement which states clearly: '*Developed country Parties shall provide financial resources to assist developing country Parties*'.

### Medium to long-term action

1. **Reform of the global financial architecture:** Developing countries currently devote roughly 20–30 percent of their GDP to debt service and related interest. This is an unsustainable burden, especially since much of this debt stems from climate vulnerability. The existing global financial framework, notably the Bretton Woods institutions, was conceived in a different era and is ill-equipped to meet today's challenges. Urgent reforms are needed, including embedding genuine voice and representation at the heart of global financial institutions, mobilizing finance at the scale and speed required, and implementing debt-swap mechanisms, among other measures. This roadmap must seize the opportunity to confront this uncomfortable truth.
2. **Embedding the polluter pays principle:** The use of fossil fuels (coal, oil, and gas) has resulted in a global climate emergency. Fossil fuel companies have profited enormously while benefiting from subsidies and lax tax rules. Studies have revealed that the oil and gas industry has earned US\$2.8 billion a day in pure profit for the last 50 years. Such fossil fuel companies that have polluted the planet must be taxed, aligning with the long-agreed "polluter pays principle" to create a new source of climate finance. Even with a universal rate of US\$5 per ton of CO<sub>2</sub>e, a fossil fuel extraction levy could have generated US\$ 210 billion in 2021. 63 percent of global carbon emissions can be traced back to the 90 biggest oil, gas, and coal producers, and cement manufacturers, i.e. the "Carbon Majors".<sup>3</sup> They haven't paid for the egregious damages they have caused to innocent people and must be held

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<sup>3</sup> <https://carbonmajors.org/> & <https://www.boell.de/en/2014/11/25/polluters-pay-carbon-majors-funding-loss-and-damage>

accountable according to their responsibility, while discouraging the use of fossil fuels and phasing them out in the longer term.

**b. Strategies that can be implemented to enhance and scale up public and private financing mechanisms for climate adaptation, especially in vulnerable regions?**

1. **Adaptation finance gap:** UNEP has been releasing an annual “Adaptation Gap” report since 2014. Each one of them shows a worrying, similar pattern: progress in adaptation financing is not fast enough to close the enormous gap between needs and flows, which contributes to a continued lag in adaptation planning and implementation efforts.<sup>4</sup> Adaptation is chronically underfunded and underprioritized compared to mitigation. In a warmer world, the impacts of climate crises are already locked and more needs to be done to close the adaptation finance gap. A public commitment to balance funding between mitigation, adaptation, and loss & damage according to national circumstances would be crucial to prioritize limiting the warming, adapting to the impacts, and compensating for the losses and damages felt, all at the same time.
2. **Quality of adaptation finance:** The quality in terms of financing the adaptation efforts relates to access, availability, and the total amount prioritized for adaptation. The finance for adaptation must come from public sources, be grant-based, adequate, new, additional, and accessible. Access should be simplified, opened to local governments, actors, and civil society groups, including those led by women, youth, Indigenous Peoples, and marginalized groups.
3. **Adaptation focus:** Increased focus on locally-led adaptation (LLA) and nature-based solutions (Nbs) is pivotal for adaptation co-benefits. LLA can be more effective than top-down adaptation interventions because local actors are aware of the nuanced context in which they operate, and devolving power to local actors increases their awareness of and investment in adaptation, which can lead to longer-term and more effective adaptation outcomes at lower cost and greater speed.<sup>5</sup> Nbs use biodiversity and ecosystem services as part of an overall adaptation strategy for tackling and reversing challenges of climate change, and not only address societal challenges effectively and adaptively, but simultaneously provide human well-being and biodiversity benefits.<sup>6</sup>

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<sup>4</sup> <https://www.unep.org/resources/adaptation-gap-report-2024>

<sup>5</sup> <https://www.iied.org/principles-for-locally-led-adaptation> & [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3176323](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3176323)

<sup>6</sup> <https://www.adaptation-fund.org/wp-content/uploads/2021/05/Nature-Based-Solutions.pdf>

4. **Priority on education:** Beyond focus on the development of infrastructure to adapt, focus on education is equally important. Research shows that public investment in universal education in the near future should be seen as a top priority for enhancing societies' adaptive capacity vis-à-vis future climate change.<sup>7</sup> Improvement in education provides people with knowledge of climate change, skills to prepare and adapt, as well as to recover better from hazards. For example, better-educated people in Cuba, Haiti, and the Dominican Republic were faster at responding to hurricane alerts and recuperated more quickly once one had struck.<sup>8</sup> Therefore, education strategies should be equally prioritized to reduce the harm in forms of loss and damage and adapt to the climate impacts.
  
- c. **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?**
  
4. To scale up finance to meet the needs of the developing countries, the following innovative, justice-centric approaches should be embedded.
  - i. **Aviation levy:** So far, the aviation sector has by and large been excluded from carbon pricing worldwide, even though it contributes around 2.5 percent of global CO<sub>2</sub> emissions, and projected emissions are forecast to increase significantly.<sup>9</sup> An aviation levy is a surcharge placed on air tickets. This has been applied by France and 11 other countries since 2006 to raise new revenues to support global health development goals. The yearly revenue is estimated at around EUR 180 million in France and EUR 22 million in the other countries that apply this.<sup>10</sup> Such a levy should be encouraged to be introduced to other countries, and shows a prospect of new and reliable financing that can be used for Loss and Damage action.
  
  - ii. **Shipping levy:** Accounting for around 3% of global anthropogenic greenhouse gas (GHG) emissions, shipping GHG emissions could increase up to 130% by 2050 according to long-term economic and energy scenarios relative to 2008 emissions

<sup>7</sup> <https://www.science.org/doi/10.1126/science.1257975>

<sup>8</sup> [https://research.wu.ac.at/ws/portalfiles/portal/17727815/Pichler\\_Striessnig\\_ES-2013-5774.pdf](https://research.wu.ac.at/ws/portalfiles/portal/17727815/Pichler_Striessnig_ES-2013-5774.pdf) & <https://www.carbonbrief.org/education-is-top-priority-for-climate-change-adaptation-study-shows/>

<sup>9</sup> <https://www.iea.org/energy-system/transport/aviation> & <https://ourworldindata.org/global-aviation-emissions>

<sup>10</sup> Wemaëre et al., (2023a)

without any additional measures.<sup>11</sup> A shipping levy is feasible through an amendment to the International Convention for the Prevention of Pollution from Ships (MARPOL) under the IMO, and could be paid at the same time as the ship's fuel, without passing through countries' budgets.<sup>12</sup> Estimates by IDDRI suggest that a levy of \$150/ton CO<sub>2</sub> would raise \$80bn for a year, which would be critical to bridge the loss & damage finance gap.<sup>13</sup>

**iii. Taxing the rich:** Tackling inequality starts with making those at the top pay their fair share. If billionaires paid their fair share in taxes, that money could fund healthcare, education, livable wages, and protection from the climate crisis, including from loss & damage. A 2% tax on extreme wealth over £10 million could raise £24 billion every year.<sup>14</sup> The money from taxing the super-rich will scale the finances needed by the developing countries, enlarged by the decades of false promises by the developed countries.

**iv: Rechannelling fossil fuel Subsidies:** According to the IMF, fossil fuel subsidies globally accounted for \$7 trillion USD in 2022, and could rise to more than \$8 trillion by 2030<sup>15</sup>. These subsidies are fundamentally not coherent with our target to walk away from fossil fuels, which are the main driver of the climate crisis. Redirecting these subsidies and taxing big oil companies could massively fund our transition to renewable energies, and support vulnerable countries facing loss & damage. The Climate Damages Tax report calculates that taxation on fossil fuels could mobilize "\$900bn in climate finance by 2030".<sup>16</sup> Ending fossil fuels subsidies and taxing big oil companies is a necessity to reach both our emission reduction and our climate finance goals.

- d. Key actors and existing multilateral initiatives that should be considered or involved, as appropriate, to support the delivery of the USD 1.3 trillion target?**
1. **Global Solidarity Levy:** Co-Chaired by Barbados, Kenya, and France, the Global Solidarity Levy aims to put forward a proposal at COP 30 in Belém on how levies can increase available finance for development and climate action. Proposals such as a maritime shipping levy, an international aviation levy on kerosene, a windfall energy

<sup>11</sup> [Fourth IMO GHG Study 2020 \(Faber et al., 2021\)](#)

<sup>12</sup> <https://www.iddri.org/sites/default/files/PDF/Publications/Catalogue>

<sup>13</sup> <https://www.iddri.org/sites/default/files/PDF/Publications/Catalogue>

<sup>14</sup> <https://www.oxfam.org.uk/get-involved/campaign-with-oxfam/tax-the-super-rich>

<sup>15</sup> <https://www.imf.org/en/Topics/climate-change/energy-subsidies>

<sup>16</sup> [taxing-big-fossil-fuel-firms-raise-billions-climate-finance](#)

profit levy, taxing fossil fuel companies, an international carbon price floor, and a plastic producers levy, are just a few of the elements that can embody new sources of climate finance and ensure transparency and accountability to close the finance gap for climate action in developing countries. Some of them are explained in (a).

2. **Bridgetown Initiative:** The initiative holds global polluters accountable for their contribution to greenhouse emissions, while also calling for the equitable reformation of the international monetary policies and regulations to reflect the voices as well as concerns of developing countries. The initiative was established to secure immediate finance to address the climate crisis and usher in long-term reforms that are needed in the climate finance architecture. Aspects such as the seeking of new sources of finance (international taxation regime, support for energy transition, adaptation finance, fund for responding to loss and damage), the inclusion of climate vulnerability as a criterion for allocation of concessional finance, and repurposing the subsidies are a few of the mechanisms that can contribute to the Baku to Belém roadmap.
  
3. **The Baku Initiative for Climate Finance, Investment and Trade (BICFIT)<sup>17</sup>:** The platform seems relevant as it provides a space for global stakeholders to mobilise the needed climate finance for climate projects, which includes UN agencies and initiatives, international organisations, and multilateral development banks. This will facilitate a broader collaboration among stakeholders to achieve the set goal in the road map, especially in the area of encouraging MDBS, MCFs, philanthropists, and development partners to engage in ensuring the enhancement of climate finance that is aligned with NDCs, NAPs, and other national strategies for concrete climate action in developing countries.

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<sup>17</sup> [the-baku-initiative-for-climate-finance-investment-and-trade-dialogue](#)