

THE BAKU TO BELEM ROADMAP TO \$1.3TN: A PROPOSAL

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Introduction and overview

This note makes suggestions for the production of the Baku to Belem Roadmap ('B2BR'):

- (a) what should be in it;
- (b) its structure and format; and
- (c) the choreography of its presentation to and adoption by COP30.

It starts with an analysis of the rationale for the Roadmap and of the core goal it should seek to achieve. This analysis explains the substantive proposals made in the note.

Why a 'Roadmap'?

The B2BR² was agreed in the very final minutes of the NCQG negotiation at COP29, proposed by the Colombian and Kenyan climate ministers.³ Its purpose, in the context of the disappointing (to developing countries) \$300bn pledge made by developed countries, was to give some practical substance to the aspirational goal of \$1.3tn per year which all Parties had agreed should somehow flow (from 'all actors') in international finance to developing countries by 2035. (The negotiators also managed to get 'at least' inserted before the \$300bn.)

The model in mind was the MDB Roadmap agreed by the G20 (and the MDBs) under the Brazilian presidency a few months before, in October 2024.⁴ The MDB Roadmap is a practical document which sets out actions under a number of headings which the MDBs should / will take over the next 5 years to achieve the G20's aspiration that they become 'better, bigger and more effective'. The MDB Roadmap was a remarkable achievement: it provides instructions to the MDBs from an institution which does not govern them. It does so with their (prior) agreement. And it has an effective accountability mechanism: that they will regularly report back to the G20 on the progress they have made against the plan.

The unorthodox method of producing the climate finance Roadmap agreed by COP29 – tasking the Presidencies of COP29 and COP30 with the job, rather than a normal UNFCCC body such as the Standing Committee on Finance – reflected a desire on the part of the text authors to have a document which reflected the 'real world' of actual finance rather than the sometimes largely theoretical formulations of COP finance decisions. The government of Brazil has reinforced that

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² The actual text reads as follows (-/CMA 6, para 27): "Decides to launch, under the guidance of the Presidencies of the sixth and seventh sessions of the CMA, in consultation with Parties, the 'Baku to Belém Roadmap to 1.3T', aiming at scaling up climate finance to developing country Parties to support low greenhouse gas emissions and climate-resilient development pathways and implement the nationally determined contributions and national adaptation plans including through grants, concessional and non-debt creating instruments, and measures to create fiscal space, taking into account relevant multilateral initiatives as appropriate; also requests the Presidencies to produce a report summarizing the work as it concludes the work by CMA 7."

³ Full disclosure: they were advised by one of the present authors

⁴ https://www.bu.edu/gdp/files/2024/12/G20_MDB_Roadmap.pdf

objective by establishing the Circle of Finance Ministers to discuss the issues, and by consulting in depth with both public and private financial institutions.

The B2BR was intended by its originators in just this way to be a carefully hybrid document: mandated, authorised and legitimated by the UNFCCC, but reflecting ‘real world’ financial issues, opportunities and constraints. Achieving these twin features should remain the high-level goal of the COP29 and COP30 presidencies in producing it.

The legitimacy of the process is nevertheless already being questioned, as was inevitable given its unorthodox production method. But the answer should be clear:

- The document is a Roadmap on how the \$1.3tn goal could be achieved, produced by the COP29 and COP30 Presidencies as requested by COP29 (the legitimate UNFCCC forum)
- The two Presidencies have consulted widely and in several stages with UNFCCC Parties (and civil society and others) on what it should cover and include
- They have also sensibly consulted finance ministries – which are responsible for financial decisions and handling climate finance – through the Circle of Finance Ministers
- The two presidencies will produce a non-negotiated report to COP30, as mandated by COP29; it will then be up to COP30 to decide what to do with it, as the legitimate forum of the UNFCCC
- COP30 could merely ‘note’ or ‘welcome’ the Roadmap, or it could, if it so wished, agree COP decisions on any issue raised by it.

The overarching goal of the Roadmap

Since climate finance is a large subject with many dimensions, it is almost inevitable that a full Roadmap report will be quite a long document, covering many issues. But it should have one overriding goal: to state honestly how \$1.3 trillion a year in international climate finance flows to developing countries by 2035 could be achieved.

By ‘honestly’ we mean: in the context of the world we actually live in, not the world UNFCCC negotiators would like us to live in.

It cannot be emphasised enough that \$1.3 trillion in annual flows is a *huge* number. It is more than eight times current ODA flows to developing countries (now around \$160bn a year, with a likely further decline in the next few years).⁵ It is simply inconceivable in the ‘real world’ that \$1.3tn could be provided by grant-based ODA. MDBs can certainly do more than currently, and indeed have already committed to raising their lending for climate purposes to \$120bn pa by 2030⁶. But this is *part of* the developed countries’ \$300bn pledge, not additional to it.

Will the saviour be the private sector? This is of course the hope of the developed countries. But private sector climate finance to developing countries is estimated at present to be around \$100bn a year, almost entirely for mitigation and in practice going to a relatively small number of middle

⁵ Total ODA flows in 2023 were \$288bn, but only \$160bn of these were to developing countries as defined by the UNFCCC. See UNCTAD (2025), *Aid at the Crossroads: Trends in Official Development Assistance*. <https://unctad.org/publication/aid-crossroads-trends-official-development-assistance>

⁶ <https://www.worldbank.org/en/news/press-release/2024/11/12/multilateral-development-banks-to-boost-climate-finance>

income countries.⁷ Let us imagine for the sake of argument that an additional \$300bn (on top of the existing \$300bn commitment) can be found from a variety of public sources. That would still leave private sector flows needing to be around \$700bn a year, a *sevenfold* increase over current levels in the next decade. This may or may not be possible; but no-one should pretend it will be easy.

Certainly, it will help no-one if the Roadmap avoids this core problem. It should squarely address the scale of the task given to it by COP29. And to do that it should focus its attention on the large-scale potential sources and instruments of finance beyond the \$300bn already committed by developed countries. By large-scale we mean sources and instruments which could each realistically raise at least \$100bn per year by 2035. There are really only six of these:

- MDB finance over and above the \$120bn by 2030 already committed, through further use of existing balance sheets (capital adequacy framework reforms) and/or new capital injections
- A new issuance of SDRs and/or IMF gold sales, earmarked for climate and development purposes
- New international taxes with the revenues (at least in part) used for climate finance purposes – the main options are on shipping emissions, aviation emissions, financial transactions and billionaires
- Utilising the revenues of the global oil and gas sector, which has seen a major increase in profits over recent years – either by voluntary levies, or by obligations on oil and gas companies to invest a higher percentage in renewables in developing countries
- The upfront securitisation of future public finance flows by the private sector, on the model of Iffim
- Increased private sector flows, mobilised through
 - (a) the buying and re-selling of performing energy and other climate-related assets by the MDBs, to free up new private investment
 - (b) various kinds of public finance risk-mitigation measures (such as guarantees and credit enhancements) by MDBs and NDBs
 - (c) changes to prudential regulation and risk assessment of investment in developing economies by financial regulators, credit ratings agencies and sector norms

Other measures with smaller financial potential will also need to be considered in the Roadmap. The two most important of these are carbon markets and debt relief for climate purposes. Some kind of debt relief is, for a significant number of countries, in any case a prerequisite for an increase in climate spending. This will need to be noted. We are sceptical that climate insurance can be regarded as a major source of financing (it is largely self-financing spread over time), but some countries will want it included.

The format of the Roadmap

As the Circle of Finance Ministers paper demonstrates, there is a lot that can be said about climate finance. It is a big subject, and there will evidently be pressure to include many things in the Baku to Belem Roadmap. So a 40-60 page document may be necessary. But such a document will not help

⁷ Independent High Level Expert Group on Climate Finance (2024), *Raising Ambition and Accelerating Delivery of Climate Finance*. Third IHLEG Report. https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/11/Raising-ambition-and-accelerating-delivery-of-climate-finance_Third-IHLEG-report.pdf

concentrate minds on how to stimulate \$1.3tn in annual flows. (On the contrary, it will likely dissipate energy as people focus on their diverse pet topics within it.)

We therefore propose that the focus of the COP Presidencies' political effort is on a 6-page (3,000 word) document which succinctly summarises the content of a longer report, and targets the major actions which need to be taken in the next 3-4 years to put the world on a potential pathway to \$1.3tn. We believe it is the shorter document which should be called the 'Baku to Belem Roadmap to \$1.3tn'; the longer one would then be a technical report accompanying and justifying it. We set out a possible structure for such a 6-page Roadmap below.

A key question for the Roadmap is what form its 'proposals' should take. The MDB Roadmap has very clear actions which it says should be taken by the MDBs. This is because the document was pre-agreed by the MDBs (supported by some judicious arm-twisting) before publication. The MDBs had accepted that they could be instructed by the G20. This is not the case with the B2BR. No country or institution will feel they have to undertake actions proposed in a document written by Brazil and Azerbaijan.

How then to frame the B2BR's proposals for how the world can get on a pathway to \$1.3tn? There are two options:

- The Roadmap could make 'recommendations' to countries and institutions
- The Roadmap could set out 'contributing actions' which countries and institutions *could* take, were they minded to do so

The actual content of these would be the same: they would be the next steps which would help set the world on a path to eventual flows of \$1.3tn. Many of them will, in practice, be reviews by appropriate bodies of how a new instrument or proposal might be designed. For most of the large-scale sources and instruments mentioned above, we do not yet know enough in detail to propose immediate implementation. Much more work needs to be done on their design and feasibility. But that is acceptable for now – and much easier to agree.

We do not in practice believe that the Roadmap can make recommendations. The Presidencies do not have the authority for that. But we strongly believe that the Roadmap must set out 'contributing actions': for groups of countries, for institutions, and for the private sector. It is these which will make the Roadmap different from just another IHLEG-like analytical report. It would fulfil the clear intentions of the COP29 text.

Adoption of the Roadmap

It would then be up to COP30 to decide what to do with these contributing actions. One option is nothing: it could simply note (or perhaps welcome) the Roadmap. Another is that the group of actions as a whole, or individual actions, could be included in COP30 / CMA7 decision text, with a request that the countries and institutions concerned undertake them. The COP cannot go much further than requesting (or possibly 'urging') actions: it does not have the authority to formally mandate countries or institutions other than those (within the UNFCCC) over which it has legal jurisdiction. But when COPs have previously requested actions of other institutions, these have

generally been accepted: a notable example is the now regular reporting to the COP from the MDBs following an initial request made in the COP27 decision text.⁸

A more radical option is for the COP30 Leaders' Summit to agree or adopt the Roadmap. The Leaders' Segment of COPs has never previously been used to make collective decisions (except at COP15). But it is notable that Brazil has moved this year's gathering to before the COP, and is describing it as a Leaders' Summit. Summits generally produce agreed communiques.

And this one will be under particular pressure to do so. The core media narrative at COP30 will inevitably be the inadequacy of the NDCs in setting the world on a 1.5C or even 2C-consistent trajectory of global GHG emissions. There is a real risk therefore that leaders will see themselves (and the media will see them) as being invited to Brazil to preside over their own collective failure.

In those circumstances, the normal Leaders' Segment format, in which each leader makes a short speech largely for the benefit of their domestic audience, will not be enough. The media will demand to know what the Leaders collectively are going to do about the emissions gap. And the answer – with the looming absence of President Trump the accompanying media story – is surely that the Leaders must agree a Declaration of some kind which commits them to further and deeper action to make up the shortfall. (And which also states their unified commitment, *contra* Trump, to multilateral climate action.)

One form that could take is what happened at COP26: a decision to come back the following year with deeper emissions cuts. But that has been tried and failed; the media will not buy it. And few leaders will want to promise it, knowing they have no intention of delivering it. Many countries will in any case insist that the Global Stocktake in 2028 is the proper time for a review of NDCs. So what else could be agreed? There are four options:

- A commitment to more rapid implementation of existing pledges – including by working more closely with the private sector (from associations of which a parallel pledge could be secured) – because the shape of the curve matters critically for the temperature goal, not just dated targets
- A commitment to put more effort and resources into green innovation (including on adaptation) – perhaps with a parallel commitment by some of the giant IT and energy companies (if they are willing to do this despite Trump)
- A request to the IPCC to produce a report on the scientific, economic and legal options for large-scale carbon removal – because whatever some countries' anxieties about raising this, the science shows it will be necessary to achieve 1.5/2C
- The adoption of a Roadmap to \$1.3tn in international finance flows by 2035

The latter would have a key argument attached. Governments have prepared their NDCs before they knew how much money would flow in the future. The Roadmap now tells them. There will be \$1.3tn for developing countries by 2035. So they will be able, after the 2028 GST, to raise their ambitions. The new NDCs are therefore not the last word about emissions in 2035 and 2040; therefore 1.5C (with overshoot) and 2C are still achievable.

⁸ https://unfccc.int/sites/default/files/resource/cop27_auv_2_cover%20decision.pdf

If the Leaders will be asked to adopt the Roadmap:

- It has to be a maximum 6-page document
- It has to have 'contributory actions', not recommendations, and they will need effective prior agreement
- The idea of including it as part of a COP30 Leaders Declaration will need to be suggested to key country Leaders at the UNSG's meeting with them at UNGA, with a draft text circulated soon afterwards. (Such a draft text should no doubt allow for subsequent watering-down.)

Accountability for the Roadmap

The key institutions which need to act to achieve the \$1.3tn are not under the control of the UNFCCC. They are finance ministries, and ministries of energy, industry, agriculture, planning and transport; MDBs; national public development banks; central banks; international and national regulators; private sector financial institutions; and industrial, technological and commercial companies throughout the world.

These institutions may (or may not) be willing to be asked by the UNFCCC or the world's Leaders to take contributing actions to put the world on a pathway to \$1.3tn, but they are certainly not accountable to either group. The risk therefore is that once the Roadmap is published and subsequently noted, welcomed or in some form adopted by COP30, nothing happens.

To avoid this, the one decision which should definitely be made by COP30 is agreement on of a 'Roadmap accountability clause'. This could take the form of each successive troika of COP presidencies being asked to report back to each COP on what has happened in the previous year on the issues raised by the Roadmap. This would include how far the contributory actions have been implemented, along with other relevant developments; and an assessment of the sums of climate finance now flowing. And each COP would then have an agenda item devoted to discussing this report. Such an item could indeed be part of a new kind of regular session at every COP on GST implementation and the 'action agenda'.

The COP will no doubt prefer such a report-back to be done by a more formally constituted body established by itself, rather than the troika of presidencies. It could be the UNFCCC Secretariat (or the presidencies with the Secretariat). The key point is that there needs to be an annual accountability report – which is *not* subject to negotiation – to keep up the pressure on the relevant groups of countries, institutions and private sector bodies.

Then in 2027-2028 these reports would need to contribute to the Global Stocktake.

Possible structure of a 6-page Roadmap

1. **Introduction** (200 words): the genesis of the Roadmap and how it has been produced. The accompanying technical report.
2. **The demand for \$1.3tn** (800 words): a summary of Part 1 of the technical report, one para each.
 - The investment opportunity – climate-resilient and low-carbon growth
 - The investment need – estimates of the sums needed to achieve the SDGs and Paris goals: mitigation, adaptation and sectors (an update by the IHLEG)
 - The scale of the \$1.3tn ambition, and the non-BAU stretch needed to achieve it
 - The quality and accessibility of finance
 - The role of all global investment flows [Article 2.1c] – creating global demand for and supply of climate-resilient and low-carbon assets and technologies
 - Fiscal space for climate spending; the problem of unsustainable debt
 - Enabling conditions, and how to strengthen them, including domestic resource mobilisation of both public and private resources
 - Project pipeline development
 - The role of national, bilateral and multilateral development banks
 - Country platforms, transition plans and investment programmes
3. **Sources and instruments to achieve \$1.3tn** (1800 words): a summary of the relevant sections in the technical report, including the potential range of flows each could achieve by 2035 (the total adding up to \$1.3tn), and each concluding with the contributory actions needed.
 - 3.1 Concessional finance, including the possible upfront securitisation of future public finance flows by the private sector, on the model of Iffim. (This section should also note that the NCQG commitment is for ‘at least’ \$300bn, and is for ‘developed countries to take the lead’, implying that larger South-South flows are also included.)
 - 3.2 MDB finance over and above the \$120bn by 2030 already committed, through further use of existing balance sheets and/or new capital injections
 - 3.3 A new issuance of SDRs and/or IMF gold sales, earmarked for climate and development purposes
 - 3.4 New international taxes with the revenues (at least in part) used for climate finance purposes – shipping emissions, aviation emissions, financial transactions and billionaires
 - 3.5 Utilising the revenues of the global oil and gas sector – either by voluntary levies, or by obligations on oil and gas companies to invest a higher percentage in renewables in developing countries
 - 3.6 Increased private sector flows, mobilised through the buying and re-selling of performing assets by the MDBs, to free up new private investment; through various kinds of public finance risk-mitigation measures, and by reformed prudential regulation and risk assessment of investment in developing economies
 - 3.7 Carbon markets
 - 3.8 Debt relief for climate-related spending
 - 3.9 Climate insurance and pre-arranged financing
4. **Accountability** (200 words). The proposal for an annual report-back to COPs (as above).

Contributory actions

The following are the kinds of ‘contributory actions’ which the Roadmap could identify for each source / instrument, and possible timescales for such actions to be taken by. In each case the language used here is what countries, institutions and the private sector ‘could’ do, thereby avoiding the implication of instruction or recommendation.

3.1 Concessional finance

- Developed countries and countries providing South-South finance could commit to achieving a target of [50%] of all their climate finance being for adaptation by 2035 – now
- Developed countries could commit to limiting the percentage of mobilised private finance included in their \$300bn commitment to [20%], with additional mobilised private sector finance added to this commitment – now⁹
- Developed countries could publish an intended pathway to the \$300bn, including a target for 2030 – by October 2026
- The OECD and UNCTAD could conduct a joint feasibility study of the proposal that future committed sums of bilateral official development assistance for climate-related purposes could be securitised by the private sector to increase the upfront flows, on the model of the International Finance Facility for Immunisation – by October 2026

3.2 MDB finance

- Each MDB committed to the collective goal of \$120bn by 2030 could set out its own plan to achieve its share of this – by October 2026
- MDBs collectively could report on how they might be able to achieve [\$240-300bn] in climate finance by 2035, including through further CAF reform and capital injections – by October 2027

3.3 A new issuance of SDRs and/or IMF gold sales

- The IMF could conduct an assessment of the costs, benefits and feasibility of gold sales, with the revenues earmarked for climate-related purposes – by October 2026
- The IMF could conduct an assessment of the costs, benefits and feasibility of a new issuance of SDRs, and their reallocation to developing countries for climate-related purposes – by October 2027

3.4 New international taxes

- The IMO could report on progress made towards a shipping emissions levy or equivalent instrument, and the possibility of some of the revenues being used for climate finance purposes – by October 2026
- The ICAO could report on progress made towards an aviation emissions levy or equivalent instrument, and the possibility of some of the revenues being used for climate finance purposes – by October 2027
- The G20 could report on progress made towards international taxes on financial transactions and very-high-net-worth individuals – by October 2029

⁹ A commitment of this kind is needed, because at present any increase in mobilised private sector investment will count towards the \$300bn, rather than adding to it. The average percentage over recent years has been just under 20%.

3.5 The global oil and gas sector

- The IEA and IRENA could jointly conduct an assessment of the costs, benefits and feasibility of a voluntary levy on the oil and gas sector, with revenues earmarked for climate finance, and/or an obligation on oil and gas companies to devote a higher percentage of their investment spending to renewable energy in developing countries

3.6 Increased private sector flows

- Finance in Common (the association of NDBs) could commit to working with governments and MDBs on the development of country platforms, project pipelines and enabling environments to stimulate greater private sector climate-related investment – now
- The MDBs could commit to mobilising [\$Ybn] in private sector climate-related investment through various risk-sharing instruments and accompanying technical assistance by 2030 – by October 2026
- The MDBs could commit to enabling [\$Zbn] in new private sector climate-related investment by buying and re-selling existing performing assets by 2030 – by October 2027
- The Financial Stability Board, the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors could conduct a joint assessment of whether and how barriers to investment in developing countries could be reduced and removed through reform of prudential regulation in way which did not jeopardise financial stability – by October 2026
- The Institute of International Finance, UN Principles of Responsible Investment, International Investors Group on Climate Change, Insurance Development Forum and major Credit Ratings Agencies could conduct a joint assessment of non-regulatory barriers to climate-related investment in developing countries which could potentially be reformed – by October 2027
- The Institute of International Finance, UN Principles of Responsible Investment, International Investors Group on Climate Change and Insurance Development Forum could commit to a [\$] target of raising private sector climate-related investment in developing countries by 2035 if appropriate national and international enabling measures are carried out – now / by October 2028

3.7 Carbon markets

- The Voluntary Carbon Markets Integrity Initiative and other carbon market associations could agree a single set of accounting and integrity standards and to get the majority of major relevant global industry bodies to sign up to them – by October 2026 / October 2027

3.8 Debt relief for climate-related spending

- The IMF and World Bank could start using revised Debt Sustainability Frameworks (DSFs) for both low and market access countries which better incorporate both climate-related and nature-related risks and the economic benefits of measures to reduce them – by October 2026
- MDBs, the IMF, bilateral lenders and private sector creditor members of the London Coalition could use climate-related contingency clauses in all new debt contracts – by October 2026; and introduce them into most existing contracts – by October 2027
- MDBs and nature conservation organisations could publish standardized structures for debt-for-climate swaps and sustainability-linked financing, and they and sovereign

creditors could commit to expanding their use in consultation with local community-based and nature conservation organisations – by October 2026

- The IMF and UNCTAD could conduct an assessment of the costs, benefits and feasibility of debt restructuring and refinancing programmes which would provide countries in appropriate circumstances with greater fiscal space for climate-related spending – by October 2026
- Credit ratings agencies could commit to incorporating climate- and nature related risks and the economic benefits of measures to reduce them in their credit rating analysis, following the lead of the IMF and World Bank - by October 2027

3.9 Climate insurance

- The Insurance Development Forum and V20, in consultation with AOSIS, LDCs and donor governments, could establish cheaper and more robust insurance and pre-arranged finance mechanisms for climate disasters – by October 2026

Securing these contributory actions

We have identified 25 contributory actions that could be included in the Roadmap. Almost none of them require commitments to providing finance on the part of any country or institution which they have not already made (the exceptions being the first two actions in 3.1, and the \$ targets in 3.2 and 3.6. All of these could be downgraded to the action of setting a target, rather than naming the target itself).

Many of these contributory actions are proposals for an appropriate body to examine a possible policy measure. With a bit of political will and pressure from Leaders, there is reason to think that all such contributory actions, or at least many of them, expressed in this way as ‘coulds’, could be agreed by countries and institutions in advance of COP30. They could therefore be published in the Roadmap not simply as things which could be done, but things which will be done. This would surely be the ideal.

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