This submission is provided in response to the second call for input from the Presidencies of CMA 6 and CMA 7 regarding the development of the "Baku to Belém Roadmap to 1.3T." It builds upon The Nature Conservancy's initial contribution submitted in March 2025.

Greater clarity on the key goals of the Roadmap, its usefulness for parties and key players in the international financial architecture, and how the Roadmap drafting process is distinct from the Circle of Finance Ministers' report is vital to ensuring that the Roadmap supports delivery of substantive solutions for scaling climate finance. As a result, it is vital that the Presidency provides additional clarity on how the Baku to Belém Roadmap to 1.3T will connect to other key ongoing processes under the UNFCCC framework (the GST, GGA, the Article 2.1(c) Dialogue, and Article 9 in general), as well as processes held outside the convention framework (e.g. development financing discussions and conferences). The Roadmap should not only serve as an output underneath the Convention, but also must send clear messages to processes and stakeholders under the broader international financial architecture. Coordination across these forums will ensure that the Roadmap delivers meaningful impacts to the global financial ecosystem that are vital to ensuring that climate finance is equitably and rapidly scaled not only to 1.3 trillion, but beyond.

(a) 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?

PRIORITY SHORT TERM:

Below we set out ten priority actions for the short and medium term to enable these calling up of finance for climate action to developing countries. That said, these points should be additional to **ensuring developed parties deliver on the NCQG,** which includes having a clear plan for how USD 300 billion will be reached.

1. **Integrate Strong Commitments for Nature and People in NDCs 3.0 and NAPs**
    - The 2025 deadline for revised Nationally Determined Contributions (NDCs 3.0) and updated National Adaptation Plans (NAPs) offers a key opportunity to strengthen climate ambition. **These instruments should align with the GST's calls to phase out fossil fuels, triple renewable energy capacity, and halt deforestation,[1] while embedding nature-based solutions (NbS) and ecosystem-based approaches across both mitigation and adaptation priorities.** Clear implementation pathways are essential. Developing countries should clearly state their means of implementation to advance their climate goals, while d**eveloped countries should show a clear commitment to increase the**

[1] Decision 1/CMA. 5, paras. 28 and 33

public finance they earmark to support climate action in developing countries, and especially for underfunded priorities such as adaptation, loss and damage, and NbS.

2. **Increase the Provision, Access, and Quality of Grant-Based and Highly Concessional Finance for Adaptation and Loss and Damage, Including Through Innovative Public Funding Sources**
   - The NCQG set a new collective climate finance target but failed to specify how much should be delivered as grants or highly concessional finance—raising serious concerns that support will continue to rely heavily on loans. This would deepen the debt burdens already faced by many climate-vulnerable countries.
   - The NCQG also called for adaptation finance to be more accessible, effective, and locally led—citing annual needs of USD 215–387 billion by 2030.[2] However, it lacked specificity on delivery mechanisms. Similarly, on loss and damage, the NCQG acknowledged the urgency of action but failed to reference the Fund for Responding to Loss and Damage or set concrete targets.
   - The 1.3 T Roadmap should acknowledge and respond to these shortfalls. **It should include clear targets and mechanisms to increase the share of finance delivered as grants or highly concessional support—particularly for adaptation and loss and damage and expanding locally led approaches.**
   - In parallel, Parties should also explore innovative sources of public finance to diversify funding beyond traditional budgets. Mechanisms under consideration by the Global Solidarity Levies Task Forceoffer promising ways to increase the pool of non-debt finance for adaptation and loss and damage.

3. **Deliver on Past Commitments on Funding for Nature**
   - The NCQG decision reaffirmed the outcomes of the GST,[3] which emphasized the importance of integrated approaches—such as halting deforestation, scaling up NbS, and promoting ecosystem-based adaptation—as core components of achieving the Paris Agreement goals. These approaches must be treated as essential delivery mechanisms and funded accordingly.Despite multiple public pledges made over the past five years to close the nature finance gap, implementation has been limited.[4] This persistent underfunding is particularly concerning given that NbS can deliver over one-third of the cost-effective mitigation needed to stay below 2°C, while also generating vital co-benefits for adaptation, food security, local livelihoods, and biodiversity.[5]
   - The 1.3T Roadmap should help expand these investments, ensuring that NbS are positioned as central to delivering climate and development outcomes.

4. **Enhance Direct Access to and Adequate Provision of Finance for Indigenous Peoples, Local Communities, and Other Frontline Communities**

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[2] Decision 1/CMA.6, para 3.

[3] Decision 1/CMA.6, para 2.

[4] Nature4Climate. "Policy Tracker 2024: Only 33% of nature-related policies published since the Paris Agreement have allocated budgets." 2024.

[5] Griscom et al. "Natural Climate Solutions." *Proceedings of the National Academy of Sciences of the United States of America 114, no. 44 (2017): 11645–11650.*

- The NCQG emphasized the importance of making climate finance more accessible to vulnerable populations—including Indigenous Peoples, local communities, women and girls, youth, persons with disabilities, and people in vulnerable situations[6]—but fell short of setting specific targets or mechanisms for delivery.
- The 1.3T roadmap should bridge this gap by committing to tailored funding pathways that expand direct access and uphold social and environmental safeguards, gender equality, human rights, and intergenerational equity. This includes strengthening readiness support, reducing administrative and procedural barriers, and scaling up proven direct access modalities—such as regranting structures, devolved finance, and locally managed funds.
- Indigenous Peoples and local communities—who steward a significant share of the world's remaining biodiversity and carbon-rich landscapes—currently receive less than 1% of international climate and nature finance.[7] Addressing this inequity is both a moral imperative and a strategic necessity, as their territories contribute to climate and biodiversity goals. As a result, **enhanced access to finance must also be accompanied by a targeted push for ensuring adequate provision of finance to nature stewards and front-line communities.**

5. Advance High-Integrity Carbon Markets Aligned with Science and Equity

- **Carbon markets—including Article 6 of the Paris Agreement, domestic compliance markets, and voluntary mechanisms—have the potential to unlock significant finance for developing countries,** if they are grounded in environmental and social integrity, rights-based approaches, and strong governance.
- With most technical elements of Article 6 finalized at COP29, Parties should commit to operationalizing Article 6 with transparency, equity, and scientific integrity.
- High-integrity markets must rely on methodologies that ensure credits are real, additional, and verifiable; support scalable, programmatic approaches aligned with NDC implementation; and generate meaningful finance for quality credits.

6. Create or Strengthen National Coordination Mechanisms to Mobilize Nature-Positive Climate Finance

- **To unlock the scale of finance needed for climate and nature goals, countries should strengthen national platforms and coordination mechanisms**—such as country-led investment plans—that align climate, nature, and development priorities and translate them into pipelines of bankable projects. These platforms play a critical role in fostering cross-sector coordination, clarifying national priorities, supporting subnational planning efforts, and connecting investment opportunities to public and private finance.
- The 1.3T Roadmap can help prioritize and elevate the importance of such structures by highlighting the role of institutional capacity and project preparation

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[6] Decision 1/CMA.6, para. 26.

[7] Rainforest Foundation Norway. "Falling Short: Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011–2020)." 2021.

in mobilizing blended finance—especially in underfunded areas like adaptation and nature-based solutions.

7. **Leverage Blended Finance and Guarantees to Mobilize Private Investment at Scale**
    - Mobilizing private finance for climate and nature, particularly in underfunded areas like adaptation and nature-based solutions, will require significantly greater use of blended finance and risk-sharing tools. **Public and philanthropic capital can play a catalytic role by providing guarantees, concessional capital, and political risk insurance to de-risk investments and crowd in commercial finance.**
    - The 1.3T Roadmap process should promote these mechanisms as essential complements to public finance. Parties should also signal support for expanding credit enhancement instruments—including those used in debt-for-nature and debt-for-climate swaps, as referenced in Recommendation 5.

PRIORITY MEDIUM TERM:

8. **Replenish and Reform Multilateral Development Banks and International Climate Funds**
    - The NCQG decision at COP29 called for tripling public finance through multilateral climate funds—including the Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund, Least Developed Countries Fund (LDCF), and Special Climate Change Fund (SCCF)—by 2030.[8] It also emphasized the need to scale up capitalization of multilateral development banks (MDBs) and other international financial institutions.[9]
    - **1.3T Roadmap must call for the delivery of clear commitments on fund replenishments alongside governance reforms to improve agility, accessibility, and risk-sharing**, as also called for by parties at the International Conference on Financing for Development (FfD4).[10] Harmonizing access procedures across funds, expanding direct access modalities, and simplifying approval processes will be key to ensuring finance reaches those who need it most.
    - MDBs should reform both strategically—by revisiting mandates, incentives, and human capital—and operationally—by reshaping project design, processes, and instruments.[11] Institutional reforms could include joint financial programming, harmonized reporting and disbursement cycles, and targeted incentives that promote nature-climate integration within funding portfolios, whilst ensuring clear accounting to avoid double counting towards climate and biodiversity flows.

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[8] Decision 1/CMA.6, para. 13.

[9] Decision 1/CMA.6, paras. 12 and 23.

[10] Parties of FfD4. "Outcome document of the Fourth International Conference on Financing for Development." 2025.

[11] European Think Tanks Group. "Financing the 2030 Agenda: An SDG alignment framework for Public Development Banks." 2021.

- MDBs and International Climate Funds should work as a system with National Development Banks (NDBs) to localize impact and scale up investment in NbS for adaptation and mitigation. NDBs are a critical, yet underutilized, bridge between global climate finance and local implementation. Their proximity to regional and community-level stakeholders positions them to generate locally tailored, high-quality projects and demonstrate the economic case for adaptation and resilience. In low- and middle-income countries, NDBs already provide the majority of public climate finance (22% globally).[12] Strengthening collaboration across MDBs, NDBs, and sub-national development banks is essential to unlocking greater volumes of finance and ensuring it reaches those who need it most.
- **Debt relief and credit enhancement are also essential to promoting increased investment in NbS.** This includes debt forgiveness, refinancing into lower-cost, longer-maturity instruments, and the use of guarantees and political risk insurance to lower borrowing costs. The NCQG encouraged international financial institutions to explore such tools and scale up non-debt instruments like guarantees and local currency financing.[13] 1.3T Roadmapshould help outline clearer steps for getting here.
- Recommendations provided by the Taskforce on Credit Enhancement for Sustainability-Linked Sovereign Financing —such as expanding MDB-provided credit enhancement for sovereign borrowing, particularly through climate-linked debt conversions that reduce debt burdens while financing climate and nature outcomes; improving accounting practices to count guarantees more efficiently; the use of callable capital and Special Drawing Rights to back guarantees; integrating climate and nature into the IMF's Debt Sustainability Analyses; and the development of innovative risk-sharing mechanisms such as reinsurance and co-insurance to strengthen MDB balance sheets — should be seriously considered by Parties to ensure financial architecture reforms meet the scale and urgency of the climate and nature crises.

9. Strengthen Coherence Between Planning and Finance for Climate, Nature, and Development

- **It is crucial for all parties to better align theirnational planning and finance strategies across climate, biodiversity, and development priorities**. This includes conducting joint climate–nature finance needs assessments, adopting shared visions for climate-resilient development across policy and planning, instituting safeguards to avoid trade-offs, and strengthening cross-sector governance to improve coordination and delivery.
- **Improved classification and reporting of climate, biodiversity, and land-use finance will also be essential to ensuring coherence across agendas.** Transparent accounting can help avoid double counting, clarify synergies, and ensure that financial flows are aligned with country priorities rather than working at cross-purposes.

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[12] Climate Policy Initiative. "Global Landscape of Climate Finance: A Decade of Data." 2022.
[13] Decision 1/CMA.6, para. 23.

- The 1.3T Roadmap process could play a key role in encouraging technical and financial support for countries working to implement integrated, cross-cutting approaches, as well as strengthening the transparency and tracking of finance flows across sectors and agendas.

10. **Strengthen Domestic Regulatory Frameworks to Accelerate Delivery of Climate and Nature Goals**
    - **All countries—based on their national contexts—must strengthen regulatory frameworks that support climate and nature goals.** This includes introducing carbon pricing mechanisms, phasing out subsidies with a negative environmental impact, enabling greater deployment of nature-related insurance, and aligning public spending with low-emission, nature-positive development.
    - The 1.3T Roadmap process and the Article 2.1(c) dialogue offers opportunities for countries to signal intent to pursue such reforms. Doing so can enhance the credibility of climate strategies, build investor confidence, and help catalyze support.However, it is essential that these discussions do not shift responsibility away from developed countries' commitments under the NCQG or impose additional conditionalities on developing countries when accessing international finance.

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

There are many examples of innovative financial mechanisms to help scale and deliver climate finance to the people and nature ecosystems that need it most. Additional examples and further detail can be accessible at this link. Below are high level summaries of key solutions for scaling climate adaptation finance for tangible impact.

- **Natural Asset Insurance:**
    - One promising strategy to scale climate adaptation finance is the development of insurance products that recognize and protect the value of natural assets. Parametric insurance models, which trigger payouts based on predefined climate events, offer rapid recovery funding for ecosystems like coral reefs and forests, while incentivizing proactive management. . By partnering with insurers and communities, TNC has developed parametric policies that enable rapid payouts after climate disasters, as seen in Quintana Roo and Hawaii, where reef recovery efforts were funded immediately following hurricanes. In California, wildfire resilience policies are lowering premiums for communities that implement proactive forest management. These innovative insurance models not only reduce climate risks and improve recovery times but also incentivize ecosystem stewardship. To scale globally, TNC is convening partners across the insurance industry, academia, and environmental and humanitarian organizations to remove financial, regulatory, capacity and institutional barriers, such as through mechanisms to sustainably finance premiums, using risk pools to improve the accessibility

and affordability of insurance, and opportunities to influence policy and regulation to advance widespread adoption.

- **Blending capital to scale adaptation and resilience**
    - Blended finance is a powerful tool for scaling climate adaptation and resilience, especially in sectors like agriculture and land use where traditional investment often falls short. In Colombia, TNC and partners have launched SolNatura+, an impact investment fund that blends non-repayable capital, such as government grants or philanthropic donations, with repayable resources such as debt and private investment. This blended finance model enables the deployment of guarantees, concessional lending and patient equity that unlock capital for nature-based projects that would otherwise be excluded due to their size, risk or maturity. SolNatura+'s blended funding reduces the cost of capital in debt transactions and extends repayment terms, aligning them with the longer timelines and cash flow cycles of impact-oriented projects. In guarantee structures, first-loss mechanisms reduce the perceived risk for financial institutions and private investors, enabling transactions that would otherwise be unviable. And returns generated by non-repayable capital are 100 percent reinvested, creating a continuous impact cycle.
    - Blended finance models offer commercially viable returns while delivering climate and social benefits and provide a replicable blueprint for other emerging markets seeking to mobilize private finance for adaptation and nature-positive development.
- **Water Funds**
    - Water Funds offer a scalable and replicable model for financing watershed restoration by aligning the interests of large water users—such as utilities, hydropower companies and agricultural associations—with long-term ecosystem stewardship. These funds pool capital contributions and invest them through transparent financial mechanisms, generating returns that support conservation easements, protected areas, sustainable land use and community initiatives. In Cape Town, the Greater Cape Water Fund, established with support from TNC and local partners, is restoring priority catchments to address water insecurity, reduce invasive species and increase water availability. With over two-thirds of the region's catchments affected by alien plant invasions, the Fund's goal to clear 54,300 hectares by 2025 could yield over 55 billion liters of additional water annually. As climate impacts intensify, Water Funds represent a cost-effective, nature-based solution that can be adapted to diverse geographies to improve water security, support biodiversity and build community resilience.
- **Scaling Blue Carbon Solutions**
    - Blue carbon ecosystems—such as mangroves, seagrasses and salt marshes—offer powerful climate mitigation and adaptation benefits, yet remain vastly underfunded. Globally, there is growing momentum to restore and protect these coastal habitats through carbon markets and nature-positive business models. Initiatives like BC+, launched by Conservation International and TNC, are helping scale market-ready ocean-based enterprises that link ecosystem health with economic opportunity. From seagrass restoration in the U.S. to Indigenous-led sea cucumber ventures in

Australia, these efforts demonstrate how blue carbon finance can support biodiversity, climate goals and community livelihoods. To scale globally, stakeholders must invest in blended finance, regulatory frameworks and local capacity to unlock the full potential of blue carbon as an adaptation and development solution.

(c) 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?

- **Refinancing sovereign debt**
  - Sovereign debt refinancing is emerging as a powerful tool to unlock large-scale funding for climate and nature while improving fiscal stability in developing countries. By converting portions of national debt into conservation finance, countries like Belize, The Bahamas and Ecuador have mobilized hundreds of millions of dollars for marine and terrestrial protection, climate adaptation and community development. These deals often include permanent endowments, parametric insurance and disaster clauses, ensuring long-term resilience without increasing debt burdens. TNC has helped pioneer this model through its Nature Bonds program, demonstrating how public-private partnerships, credit enhancements and inclusive governance can make these transactions replicable across Small Island Developing States and other climate-vulnerable nations. With growing interest and a new coalition aiming to scale this approach to 20 additional countries, nature-positive debt conversions offer a strategic pathway to meet global climate and biodiversity goals.
- **Catalyzing impact investment**
  - Mobilizing impact investment is a critical strategy for scaling climate adaptation and mitigation in regions where public finance alone is insufficient. By blending equity, debt, carbon finance and other instruments, impact investment funds can unlock capital for projects that deliver both financial returns and measurable environmental and social benefits. The Cumberland Forest Project in the U.S. illustrates how this model can integrate renewable energy, sustainable forestry and community development across large landscapes. Its structure—combining carbon offsets, solar development on degraded lands and a community benefit fund—demonstrates how impact investment can align investor interests with climate resilience and local livelihoods. Replicating this approach globally will require enabling policy environments, risk mitigation tools and strong partnerships to attract private capital into nature-based solutions that benefit people and planet.

- **Mobilizing climate finance thru multilateral private sector**
  - Blended finance models that combine grants, loans, equity and guarantees—such as those deployed by the Green Climate Fund (GCF)—offer a scalable and replicable approach to mobilize large-scale climate finance, especially in emerging economies. These instruments help derisk investment, crowd in private capital and create fiscal space for countries to pursue low-emission,

climate-resilient development. Recent GCF-backed initiatives, including the Amazon Bioeconomy Fund and the Mirova Sustainable Land Use Fund, demonstrate how concessional capital can support MSMEs, bioeconomy ventures and nature-based solutions while delivering measurable adaptation and mitigation outcomes. To accelerate progress toward the USD 1.3 trillion target, multilateral institutions and accredited partners must continue to expand access to non-debt creating instruments, streamline project approval processes and foster cross-sector collaboration that aligns finance with national climate priorities.

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