Conservation International's submission of views on the vision, modalities, and elements for the Climate Finance Work Programme, including Article 9, paragraph 1, of the Paris Agreement

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Conservation International (CI) submits the following views in response to the call for submissions by the co-chairs of the work programme on climate finance, including on Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole (the "Climate Finance Work Programme").

Summary: priority messages at a glance

Nature remains chronically underfunded despite offering some of the most cost-effective climate solutions available. The next year of the Climate Finance Work Programme can translate the ambition of the Baku to Belém Roadmap to 1.3T into practical guidance under Article 9 that maximizes climate and nature impact per dollar of scarce public finance.

Two priorities for 2027

- **Expand fiscal space for developing countries**, especially through reform of harmful incentives, debt-for-nature swaps and other debt-reducing instruments.
- **Scale finance mobilization from a wide variety of sources**, using public and concessional finance to crowd in private capital and enabling results-based finance, including for REDD+.

Guiding-question focus areas

- Close under-funded, high-impact gaps, including **coastal and marine ecosystems** and **blue carbon**.
- Lower access barriers for **LDCs, SIDS, Indigenous Peoples and local communities**.
- Strengthen transparency through **Rio Convention finance tagging**, standardized methodologies and dedicated attention to ocean finance.

Introduction

Closing the finance gap for nature is essential for delivering the Paris Agreement goals, yet nature remains chronically underfunded. The Agriculture, Forestry and Other Land Use (AFOLU) sector receives only **3 per cent of mitigation** and **11 per cent of adaptation finance**[1]. Annual financial flows to nature-based solutions (NbS) must **roughly triple by 2030** to meet global climate and biodiversity targets, from USD 220 billion to USD 571 billion.[2] Meanwhile, continuing to implement climate, biodiversity and land goals in isolation carries a global cost estimated at **USD 10–25 trillion per year**[3].

The next year of the Climate Finance Work Programme takes place against the backdrop of a maturing climate finance architecture. The USD 1.3 trillion aspiration, agreed under the New Collective Quantified Goal at COP29, was reaffirmed at COP30, where Parties decided to urgently advance its delivery and took note of the Baku to Belém Roadmap to 1.3T, which sets out five action fronts: (1) replenishing grants and concessional finance; (2) rebalancing fiscal space and debt sustainability; (3) rechanneling transformative private finance; (4) revamping capacity and coordination; and (5) reshaping systems for equitable capital

[1] Climate Policy Initiative, Global Landscape of Climate Finance (2023).
[2] United Nations Environment Programme, State of Finance for Nature (2026).
[3] IPBES Nexus Assessment (2024).

flows. The work programme is well placed to translate this vision into practical guidance under Article 9. Conservation International recommends that the work programme prioritizes the elements below, each of which advances the provision, mobilization, access and transparency of climate finance.

Part 1. Priority elements to be addressed in the work programme

CI proposes two priority elements for the next year of the work programme. Both respond to the co-chairs' invitation for views on the vision and elements of the work, and both are framed around **what maximizes climate and nature impact per dollar of scarce public finance**.

Priority element 1: Expanding fiscal space for climate investment

Developing countries face acute fiscal constraints that limit their ability to invest in climate action. Developing economies spend an average of 6.9 per cent of GDP on subsidies, many of which are regressive or environmentally harmful[4], even as debt service crowds out climate investment. Expanding fiscal space — the budgetary room to finance climate priorities without jeopardizing debt sustainability — should therefore be a cross-cutting priority for the next year of the work programme, operationalizing the "rebalancing fiscal space and debt sustainability" front of the Baku to Belém Roadmap to 1.3T. CI recommends the work programme advance the following mutually reinforcing avenues under this element.

1.1 Reform and repurpose incentives harmful to nature and climate

Reforming harmful incentives is among the highest-leverage ways to expand fiscal space. Approximately **USD 7.3 trillion flows annually into nature-negative activities** — roughly 30 times the funding for NbS. Yet **redirecting just 10 per cent of the most distortive agricultural subsidies** toward green innovation could increase global income by USD 2.4 trillion by 2040 and reduce sector emissions by 40%.

The work programme should:

- Elevate reform of incentives harmful to nature and climate as a priority element of the next year of the work, and build shared understanding of how such reform, aligned with Article 2.1(c) of the Paris Agreement and Target 18 of the Kunming-Montreal Global Biodiversity Framework, can expand fiscal space while enhancing country uptake and ownership.
- Examine how incentive reform can be paired with just transition measures, so that fiscal savings are reinvested equitably for the economies, sectors and livelihoods currently dependent on these incentives. This should be complementary with the work of the Just Transition Work Programme and the Just Transition Mechanism.
- Compile and elevate options for transforming harmful incentives into positive economic instruments, such as payments for ecosystem/environmental services, ecological fiscal transfers, taxes, emissions trading, secure property rights and trade-related measures, which mobilize both public and private resources for conservation and sustainable management, coupled with strengthened governance and enforcement.

1.2 Scale debt-for-nature swaps and debt-reducing instruments

Debt is increasingly a barrier rather than a bridge to climate action, especially adaptation. Non-concessional loans now dominate adaptation finance (58 per cent on average), raising concerns about an "adaptation investment trap" in which rising disasters increase indebtedness. Sovereign debt-for-nature swaps (DNS), which reached USD 630 million in 2023, represent a major and underused opportunity to **reduce sovereign debt stress while freeing fiscal space** for conservation and climate-positive activities.

The work programme should:

- Build shared understanding of the case for grants and concessional, debt-reducing instruments, which avoid exacerbating the debt vulnerabilities of the most exposed nations, particularly least developed countries (LDCs) and small island developing States (SIDS).

[4] UNEP, State of Finance for Nature (2026).

- Examine the enabling conditions — policy, legal and transactional — needed to bring sovereign debt-for-nature and debt-for-climate swaps to scale, consistent with the innovative-instruments call in the COP30 Belém Package.

Priority element 2: Scaling the mobilization of finance from a wide variety of sources

Not every climate investment requires public spending. Where climate-positive investment can be made bankable, public and concessional finance is best used to de-risk and crowd in private capital and other external sources, rather than to fund projects outright. Enabling private investment where possible reserves scarce public resources for adaptation and public-good priorities that markets will not finance. Scaling mobilization in this way directly complements Priority 1 by easing the demand on public budgets and stretches every public dollar, operationalizing the "rechanneling transformative private finance" front of the Baku to Belém Roadmap to 1.3T. CI recommends the work programme give priority to the following two avenues.

2.1 Deploy blended and innovative finance to crowd in private capital

Public and concessional finance should be used strategically to de-risk and mobilize private capital at scale. An estimated **USD 94 trillion in infrastructure investment is needed globally by 2040**. Without deliberate signals, this capital will default to carbon-intensive gray infrastructure rather than cost-effective, multi-benefit nature-based and green-gray alternatives. These solutions combine engineered ("gray") structures with natural systems such as mangroves, reefs and wetlands ("green") to deliver equivalent protection at lower cost and with added climate, biodiversity and community benefits. Evidence that **ecosystem restoration yields USD 7–30 for every dollar spent** underscores the return available when investment is unlocked.

The work programme should:

- Build shared understanding of how public and concessional finance can de-risk and mobilize private investment through grants, first-loss capital, guarantees, blended structures and early-stage equity for climate-smart models the private sector currently deems too risky. This should build on the innovative instruments (guarantees, blended finance) recognized in the Belém Package and compile practical options in the co-chairs' summary note.
- Examine innovative instruments tailored to nature, such as parametric insurance models (e.g., RISCO) that provide pre-specified payouts for rapid recovery of coastal ecosystems, and financing for green-gray infrastructure to protect vulnerable coastlines and watersheds.
- Build shared understanding of the standardized, science-based metrics and supply-chain traceability needed to demonstrate the economic value and cost-effectiveness of NbS and unlock preferential private sourcing, providing the clear market signals private actors need.

2.2 Enable results-based finance for REDD+

Paragraph 34 of the Global Stocktake: "Notes the need for enhanced support and investment, including through financial resources, technology transfer and capacity-building, for efforts towards halting and reversing deforestation and forest degradation by 2030, in accordance with Article 5 of the Paris Agreement, including through results-based payments for policy approaches and positive incentives for activities relating to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries." Article 5, which references the Warsaw Framework for REDD+, sets out how developing countries can receive results-based payments for verified reductions in forest-sector emissions, financed through public, bilateral and philanthropic sources. This results-based finance is critical to create **long-term, predictable funding for nature**, and Parties have already recognized that developing countries require additional support and enabling conditions to access it and fully realize Article 5. The work programme should foster consideration of how efforts to achieve Article 9 and Article 5 are complementary

and mutually reinforcing. Deployed with integrity and equitable benefit-sharing, **results-based finance can complement, not substitute for, the finance developed countries provide**.

The work programme should:

- Build shared understanding of the existing gaps related to the establishment and implementation of the enabling conditions countries need to access results-based finance, recognizing that it can bring external, non-budgetary revenue to nature and ease pressure on public budgets.
- Support stronger implementation and reporting of the Cancun Safeguards for REDD+. While significant progress has been made in establishing national approaches to safeguards and Safeguards Information Systems (SIS), continued support is needed to move from systemic design and periodic reporting towards sustained implementation and evidence of how safeguards are being addressed and respected in practice[5]. Recent UNFCCC guidance highlights the importance of institutional arrangements, regular information collection and updating, accessible and transparent information, and the use of indicators and evidence to strengthen the operation of national SIS. The work programme can build shared understanding of the capacity and sustained support countries need to operationalize and improve these systems, report credibly on safeguards implementation, and establish equitable benefit-sharing arrangements that direct finance to the stakeholders, including Indigenous Peoples and local communities, contributing to and delivering REDD+ results.
- Underscore the need for continued support to countries to strengthen forest governance, enforcement and land tenure, on which durable, verifiable results depend. Secure land and resource tenure reduces the risk of reversals and underpins legitimate benefit-sharing. This is particularly important for Indigenous Peoples and local communities, whose stewardship is associated with better ecological outcomes: 91 per cent of all lands managed and owned by Indigenous People and local communities are in good or moderate ecological condition[6]. On the other hand, weak governance is costly: illegal commercial deforestation is estimated to cause forest countries more than USD 17 billion in losses each year. The work programme can build shared understanding of how sustained support for tenure security, land-use planning and enforcement capacity keeps results-based payments anchored in lasting outcomes.

Part 2. Responses to the guiding questions

How can we scale up the provision and mobilization of climate finance from a wide variety of sources, instruments and channels to support climate actions in developing countries?

Scaling provision and mobilization from a wide variety of sources requires closing the nature finance gap deliberately. Beyond the fiscal-space measures in Part 1, CI recommends the work programme give explicit attention to under-funded, high-impact areas of climate action. **NbS can deliver roughly one third of the mitigation needed by 2030**, yet it remains significantly underfunded. Coastal and marine ecosystems are especially neglected: **marine ecosystems received only 9 per cent of investment into NbS in 2022**, despite the vital role of blue carbon and green-gray infrastructure in adaptation and mitigation. Solutions include:

- Scale finance from all sources, instruments and channels, combining public, private, concessional, carbon-market and non-market approaches, and aligning with the growing integration of nature-based and ocean-based action in updated Nationally Determined Contributions and National Adaptation Plans.
- Prioritize coastal and marine NbS and blue carbon, including non-market approaches that finance community-led protection, restoration and management of blue carbon ecosystems.
- Facilitate additionality and coherence across the Rio Conventions, so that climate finance is additional to biodiversity funding while maximizing co-benefits; 81 per cent of biodiversity-related

[5] OP1. REDD_SIS_Briefing_UNFCCC.pdf
[6] WWF et al. (2021).

finance also targets climate change, but only 21 per cent of climate finance specifically targets biodiversity[7].

What are concrete procedural, institutional and capacity barriers that prevent developing countries from accessing available climate finance, and how can these be addressed?

Procedural, institutional and capacity barriers continue to prevent developing countries and communities from accessing available climate finance. The most significant barriers include: project cycles that are long and expensive and deter innovation; evaluation criteria that shift during multi-year proposal development, forcing costly revisions; secretariat engagement that comes too late in the process; the rising cost of accreditation relative to approved projects; and limited subject-matter expertise that produces one-size-fits-all review. **Addressing these barriers would materially improve access.**

Least developed countries (LDCs) and small island developing States (SIDS) face these barriers most acutely, and often find the major funds are not designed for their realities. Their projects are systematically smaller than the global average: too small to attract the large international entities that dominate accreditation, yet frequently too large and administratively demanding for national direct-access entities to manage. As of early 2026, only three national entities across the entire Pacific held direct Green Climate Fund accreditation.[8] With adaptation costs running six to nine per cent of annual GDP in many Pacific island countries, debt-heavy instruments leave little room to maneuver. This mismatch led Pacific governments to establish the Pacific Resilience Facility — the region's first Pacific-led, member-owned resilience fund, providing simplified, grant-based finance directly to communities for adaptation, disaster preparedness, nature-based solutions and loss and damage, and filling a niche that global funds have not.

Similarly, direct access for Indigenous Peoples and local communities warrants particular attention. IPLCs manage 50 per cent or more of the world's land and safeguard roughly 80 per cent of global biodiversity[9], and territories managed by Afro-descendant Peoples show 29–55 per cent lower deforestation than surrounding areas[10] — yet these groups receive **less than one per cent of climate finance**[11]. Closing this gap is both **an equity imperative and an effectiveness strategy**.

Solutions include:

- Simplify and **reduce the cost of access**, including by reducing proposal-package requirements, engaging earlier in the process, applying consistent evaluation criteria across the programming period, and providing clear, transparent criteria for project-preparation support.
- **Tailor access to the realities of LDCs and SIDS**, including simplified and appropriately sized approval tracks for smaller projects, predictable programmatic finance, grant-based and highly concessional resources that do not deepen debt, and strengthened readiness and accreditation support for national and regional direct-access entities. The work programme can also recognize the role of regional, member-owned facilities (such as the Pacific Resilience Facility) in reaching communities that global funds do not,
- Establish and expand **dedicated financing windows** and direct-access modalities for IPLCs, women and youth, reducing administrative barriers and providing culturally appropriate, dedicated readiness support. This could include Indigenous Technical Assistance facilities and reforms to executing-entity criteria that reflect the range of absorptive capacities across IPLC organizations.
- Anchor access in rights-based approaches, consistent with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and Free, Prior and Informed Consent (FPIC), and support Locally Led Adaptation that empowers communities and addresses the root causes of vulnerability.

[7] OECD, Biodiversity and Development Finance, 2015–2021.

[8] Pacific Islands Forum Secretariat, Pacific Resilience Facility.

[9] Oxfam (2016); Sze et al. (2022); Qin et al. (2023).

[10] Sangat et al., Communications Earth & Environment (2025).

[11] Food and Agriculture Organization (2025).

How do we enhance the transparency of climate finance and the measurement of progress on the impacts, results and outcomes of climate finance, including Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole?

Enhancing transparency requires **common markers, standardized methodologies, and attention to under-tracked areas**, such as the ocean. Fragmented tracking makes it difficult to see where finance flows, to **avoid double counting** between climate and biodiversity objectives, and to measure results — undermining both accountability and efficiency. Solutions include:

- Develop a cohesive Rio Convention finance-tagging system. A common set of climate, biodiversity and land-degradation finance markers specifically for the Rio Conventions — building on the OECD Rio markers[12] and encouraging financial institutions to use the same tags for reporting — would ensure transparency and avoid double counting. This could be advanced through the Rio Convention Secretariats' mandated joint report on economic instruments.
- Standardize measurement methodologies and definitions. Clear, consistently applied methodologies for measuring finance and results indicators are essential for credibility and efficiency; inconsistencies in how projects report against targets (e.g., hectares under improved management, definitions of direct beneficiaries) should be resolved through shared definitions, units, scope and data sources.
- Improve MRV of finance at the programmatic and finance levels, alongside tracking of relevant carbon, biodiversity and land metrics, so that transparency covers not only volumes provided but impacts, results and outcomes.
- Give dedicated attention to ocean and blue carbon finance transparency. CI supports appointing an Ocean Focal Point within the Standing Committee on Finance to consider ocean-climate finance gaps and opportunities across SCF processes — including future Biennial Assessments and progress reports on the New Collective Quantified Goal — and systematic disaggregation of coastal and marine ecosystems in reporting, so that the persistent under-funding of blue carbon becomes visible and addressable.

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[12] See OECD DAC Rio Markers Handbook (2026).