



G77 and China Submission on Baku to Belém Roadmap to 1.3 trillion

18th May 2025

Introduction

The submission is made by the Republic of Iraq, on behalf of G77 and China in response to the call for written inputs on the Baku to Belém Roadmap to USD 1.3T (B2BR) by the Presidencies of the sixth and seventh sessions of the CMA.

In line with the mandate provided by Parties at COP29, we express our appreciation to the Presidencies for organizing the informal consultations held in February 2025. This submission responds to the call and the related guiding questions issued by the Presidencies on 21 February 2025, requesting written inputs from Parties and other stakeholders. The G77 and China would like to highlight the relevant paragraphs from the NCQG decision, which we reference in framing our submission.

Mandate

- Paragraph 7 of decision .../CMA6 “Calls on all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035”.
- Paragraph 27 of decision .../CMA6 “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”.

a) What are your overall expectations for the “Baku to Belém Roadmap to 1.3T”?

The group firmly believes that B2BR to be developed CMA7 shall be solely under the leadership of the CMA6 and CMA7 Presidencies, with inputs from Parties and all actors in accordance with the decision and mandated referred above. G77 and China in this regard, have the following expectations for the B2BR.

- **Inclusiveness and transparency:** The group believes that the process adopted by the Presidencies for undertaking the B2BR shall be conducted in transparent, inclusive and iterative manner. The primary actors that need to be well consulted shall be member Parties of UNFCCC and Paris Agreement as this roadmap aims towards operationalization of the NCQG decision



adopted at COP29. All Parties and in particular the subgroupings of G77 and China shall be consulted prior to release of any draft B2BR.

- **Principles of equity and CBDR:** The Convention and Paris Agreement are founded on equity and the principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC) in light of different national circumstances, which highlight the need for the roadmap to feature them at its core. The roadmap must ensure that developed countries to show leadership and urgently deliver on the USD 300 billion goal, which would form the base from which we can build a robust B2BR as well as clarifying the additional role developed countries will play in the context of Article 9.1 which is additional to the USD 300 billion.
- **Implementation of the work of NCQG decision:** The roadmap shall be used as an opportunity to scale up and implement the work undertaken on NCQG at COP29, including operationalizing all calls to action outlined in the NCQG decisions, and not in any way to backslide from the climate finance commitments agreed by developed countries.
- **Evolving needs and priorities of developing countries:** The evolving needs and priorities of the developing countries must be addressed. The outcome that was agreed at COP29 need to be further strengthened through this roadmap. The roadmap needs to demonstrate possible pathways for adequate and accessible finance for climate adaptation and mitigation and loss and damage efforts in developing countries and supporting just transitions across all sectors and thematic areas, while respecting national sovereignty and the bottom-up nature of the Paris Agreement and without shifting the burden of finance obligations from developed to developing countries. In this regard, the group sees that the B2BR is to be founded on Article 9 of the Paris Agreement and the principles and provisions of the Convention. The Group further considers support for country-driven strategies, with a focus on, inter alia NDCs and NAP and the needs expressed in Adaptation Communications and Long-Term Climate Strategies along with other national plans including in relation to loss and damage responses.
- **Address dis-enablers of climate finance:** The B2BR shall aim to address the concerns on climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as CBAM, etc. The roadmap should explore and identify actionable and evidence-based approaches to overcome these obstacles.

b) Which topics and thematic issues should be explored to inform the roadmap, within the scope of the mandate?

The B2BR needs to explore the following thematic areas/topic or issues inline with its mandate as per the NCQG decision.

- **Definition on climate finance:** The roadmap needs to focus on the definition of climate finance. Transparency arrangements must be related to a definition which provides an agreement on what is to be counted and what not, as climate finance. Loans at market rate and private finance at market rate of return cannot be termed as climate finance. Rather, they represent a reverse



capital flow from developing to developed countries when repayments are considered. The definition must account for different national pathways, approaches and priorities in line with NDCs and NAPs.

- **Source of climate finance:** The roadmap needs to highlight how these different sources of climate finance, both public and private financing contribution to the implementation of NDCs and NAPs. This shall avoid any shifting of burden to developing countries and finance flow to be consistent from developed countries to developing countries in line with Article 9.1 of the Paris Agreement.
- **Mitigation actions:** Article 9.4 calls for the provision of scaled-up financial resources to achieve a balanced between mitigation and adaptation, taking into account country driven strategies, such as NDCs, NAPS and LEDS, and the priorities and needs of developing countries. The B2BR needs to provide a balanced approach on financing for climate adaptation actions in developing countries. This would also include how the countries could benefit within the existing financial mechanism of the Convention and Paris Agreement. G77 and China believe that aspects related to mitigation and adaptation finance needs to also be dealt in detail including the role of private sector financial actors in scaling up finance to developing countries.
- **Adaptation Finance:** The gap for adaptation finance is growing and requires an exploration of approaches to bridge the gap. The economic benefits associated with financing for adaptation actions are the primary reason for this lack of availability of finance for scaling up adaptation actions. G77 and China believes that adaptation finance needs to be consistent with Article 9 of the Paris Agreement. Finance for adaptation actions in developing countries needs to be sourced from public sources in line with Article 9.1 and 9.4 of the Paris Agreement.
- **Loss and Damage Response:** With the changing financial landscape of loss and damage response, it is imperative that financing for loss and damage response is also explored within the roadmap. The pathways to address loss and damage shall benefit all developing countries, including those that have significant capacity constraints.
- **Just transitions towards low emissions, climate resilience pathways in the context of sustainable development and eradication of poverty for developing countries:** It is imperative to be focused on the goals of the Paris Agreement and provide the necessary means of implementation and address the barriers for transitions to be truly just between and within countries. G77 and China firmly believes the B2BR should create adequate opportunities to operationalize these critical means of implementation and address the barriers to enable developing countries to achieve their just transitions.

c) What country experiences, best practices and lessons learned can be shared related to barriers and enabling environments; innovative sources of finance; grants, concessional and non-debt creating instruments, and measures to create fiscal space?

G77 and China membership represent a broad range of countries that have different national circumstances. There are no one size fits all solutions to access climate finance that meets the needs and priorities of all developing countries.



The roadmap should provide a clear agreement on burden sharing amongst developed countries to establish their 'fair share' of their collective obligation to provide climate finance, which allows predictability, transparency, and accountability. The roadmap must address “dis-enablers” of climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as CBAM, etc.

It must provide access features that operationalize the requirement for access channels to ensure efficient and swift access to and enhance the coordination and delivery of climate finance for developing countries, noting the special considerations for SIDS and LDCs as set out in the Paris Agreement.

d) Which multilateral initiatives do you see as most relevant to take into account in the Roadmap and why?

The group fully entrust the presidencies to undertake consultations and seeking written inputs from all actors as per the mandate. G77 and China recommended the consultations based on the aspects below.

- The consultation needs to be **transparent, inclusive and iterative** in nature.
- The Operating Entities of the **Financial Mechanism under the Convention and Paris Agreement** must be consulted including the Global Environment Facility, Green Climate Fund, and the Fund responding to loss and damage, as well as the Adaptation Fund, Special Climate Change Fund, Least Developed Countries Fund.
- It is understood that the Presidencies will consult the parties to the UNFCCC in an inclusive manner and the Presidencies should inform Parties about multilateral initiatives that are likely to be taken into account in the roadmap and enable consultations with the developing country Parties prior to their inclusion in the roadmap.