

Submission by Like-Minded Developing Countries on the “BAKU TO BELÉM ROADMAP TO 1.3T”

Introduction

Para 27 on the decision on New Collective Quantified Goal is as follows:

‘Decides to launch, under the guidance of the Presidencies of the sixth and seventh sessions of the Conference of the Parties serving as meeting of the Parties to the Paris Agreement, in consultations 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 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; and requests the Presidencies to produce a report summarizing the work as they conclude the work by the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.’

1.1 This LMDC submission responds to the message from the CMA 6 and CMA 7 Presidencies seeking views on overall expectations for the “Baku to Belém Roadmap to 1.3T”; topics and thematic issues should be explored to inform the Roadmap, within the scope of the mandate; country experiences, best practices and lessons learned that can be shared; and multilateral initiatives that can be taken into account in the Roadmap.

1.2 First and foremost, the LMDCs express their disappointment with the NCQG outcome of COP 29, which was adopted without due processes being followed and which signals the unwillingness and failure of developed countries to fulfil their responsibilities under the Convention and its Paris Agreement. Thus, the “Baku to Belém Roadmap to 1.3T” is an opportunity to put the financial discussion on the right track .

1.3 Expectations for the “Baku to Belém Roadmap to 1.3T”:

Para 27 of the NCQG decision states that (1) the “Baku to Belém Roadmap to 1.3T” is aimed at scaling climate finance for developing countries and (2) the roadmap is a joint initiative between the sixth and seventh presidency of the CMA, to prepare a summary in consultation with the Parties, rather than a negotiated outcome of the CMA. It is therefore expected that the roadmap will adhere to the following:

a. It will be developed through a process which is consistent with Para 27 – that is, the roadmap is a joint initiative of the Presidencies and not a negotiated outcome. It should be developed in an inclusive and transparent manner without compromise.

b. The roadmap is developed in view of its aim. It must reflect the perspectives and concerns of developing country Parties and suggest universally accepted and feasible ways of addressing the barriers to climate finance facing developing countries in the context of adhering to the principles of the UNFCCC and its Paris Agreement, including equity, common but differentiated responsibilities and respective capacities, etc.

c. In its approach to suggest the ways for scaling climate finance for developing country parties, the roadmap must be based on approaches that are feasible and suitable, given the national circumstances and priorities of the developing country parties. Approaches that do not respect country ownership or have developing country orientation, lack acceptability and have negative economic impacts on developing countries, and are not suitable to be addressed under the UNFCCC channel or beyond the mandate and focus of the UNFCCC and its Paris Agreement, including the targeting of sectors, debt treatment approaches, and imposing international taxes or levies, must be excluded. These approaches not only lack international consensus but also run counter to the principles of equity and CBDR-RC and the bottom-up, nationally determined nature of the UNFCCC and its Paris Agreement.

d) The work must be carried out within the purview of the Paris Agreement, and the issues outside the purview of the UNFCCC and its Paris Agreement, i.e. those related or discussed in other fora, do not form the basis of the efforts of the two Presidencies.

1.4 With respect to **topics and thematic issues** that should be explored to inform the Roadmap, LMDCs are of the view that the Roadmap should adopt comprehensively the following priorities:

a. Implementation of financial provisions of Article 9 of the Paris Agreement. The aim of developing the roadmap is to scale climate finance for developing countries. However, there is an inherent gap in the approaches taken so far. The NCQG decision, set in the context of Article 9 of the Paris Agreement, only operationalises Articles 9.2 and 9.3 and leaves out Article 9.1, which is the key to enabling the scaling up of climate finance. Article 9.1 outlines the provisions for providing climate finance to developing countries. Provision of climate finance by developed countries public sector finance is necessary for mobilisation to take place. In this regard, the roadmap must place Article 9.1 as its central pillar and explore how Article 9.1 can be operationalised, to enable mobilisation of 1.3 trillion dollars for developing countries. The roadmap must send strong signals to developed countries to honour their obligations, consider the constraints in developed countries, including current budgetary approval processes and political constraints, and suggest ways to overcome these challenges to ensure Article 9.1 is fully operationalised and implemented.

b. Real financial access approach through the Financial Mechanism. An essential aspect of scaling up climate finance for developing countries is the need to enhance the effectiveness of the operating entities of the financial mechanisms so that timely and adequate support is available for projects in developing countries. This requires addressing the barriers to access to financing with equity for all developing countries. Therefore, the LMDCs are of the view that the roadmap should undertake an assessment of the provisional and actual funding to developing countries, indicate the manner of implementation of para 16 of the NCQG decision on tripling the financial outflows from the operating entities of the Financial Mechanism and indicate the financial flows expected from developed countries through the operating entities of the financial mechanisms and the Adaptation Fund of the UNFCCC for all developing countries as a guide for the implementation of next round of NDCs in developing countries.

c. Approaches for the creation of a fiscal space in developing countries. The roadmap must also focus on ways to create fiscal space in developing countries that face competing needs for limited fiscal resources. This can be done by suggesting ways to address the high cost of capital faced by the developing countries given the limited public funding from developed countries, the dominance of loan-based finance which restricts the absorptive capacity of these countries, access to technologies at reasonable cost, sovereign credit rating methodologies owing to the opaque rating methodologies, and foreign exchange risks. Besides given the constraints on resources, the predominance of adaptation and resilience building vis-a-vis mitigation needs to be discussed.

d. Nationally determined nature of climate action: It is crucial for the roadmap to communicate to the private sector, particularly in developed countries, that activities, pathways, timelines, needs, priorities, and circumstances vary from one country to another. There is no uniform approach to climate action. Country determined nature of climate action in line with the approaches and pathways would be the key for effective action instead of a straitjacket approach. The mobilisation of USD 1.3 tr in developing countries should be aimed at supporting developing countries, instead of creating additional burdens and costs for these countries.

e. Equally implementing all provisions of the Paris Agreement for the provision and mobilization of finance. To date, discussions have predominantly centred around market-based approaches. The implementation of non-market-based measures as encapsulated in Article 6.8 also needs attention. At COP30, there is an opportunity with the lead of the COP Troika Presidencies to launch the initiative on Joint Mitigation and Adaptation for the Integral and Sustainable Management of Forests in the Amazon region, and to expand to other interested regions, accompanied by meaningful ex-ante financing. Additionally, it is essential to establish actionable measures to make progress on Mother Earth-centric actions .

1.5 Country experiences, best practices and lessons learned that can be shared

Peer-to-peer experience is significant in a sphere that involves considerable uncertainty and has substantial cost implications. The discussion conducted by the two presidencies must allow the sharing of insights and experiences on the mobilisation efforts and instruments that have best-mobilised resources both in terms of the cost and other terms as well as the impact.

1.6 Multilateral initiatives that can be taken into account in the Roadmap

The LMDCs emphasize that UNFCCC is the forum to address climate change and related climate finance issues, given its universal representation. Other forums such as the G7 or G20 lack such representation and thus should not serve as main channels for climate finance discussions. The roadmap should therefore prioritize inclusive platforms within the UNFCCC. Meanwhile, certain issues such as international financial architecture matters, are already appropriately handled elsewhere and should not be shifted into the UNFCCC to avoid duplication. The roadmap should also reflect that the Paris Agreement does not currently cover all countries relevant to climate finance discussions.

1.7 Finally, we expect the summary to be inclusive, focusing on areas of convergence rather than on divergence or differing opinions. We hope it conveys the right signals and messages to scale up climate finance to developing countries effectively. Additionally, we expect it to emphasise the importance of international cooperation in the next decade for climate action decade for climate action. This cooperation should be framed within the principles and provisions of the UNFCCC and its Paris Agreement, building on existing foundations rather than reshaping obligations.