Submission by the Kingdom of Morocco on the Baku to Belèm Roadmap to $1.3T

This submission responds to the call for input by the COP29 and COP30 Presidencies under the UNFCCC on the development of the "Baku to Belèm Roadmap to 1.3T".

Introduction

The decision on the New Collective Quantified Goal (NCQG) on climate finance failed to meet the needs of the global climate crisis, particularly for developing countries. After participating constructively in three years of extensive dialogue and negotiations, the Kingdom of Morocco was disappointed in the final outcome. Morocco takes note that the agreed Goal for finance mobilization ($300 billion per year by 2035) falls significantly short of the estimated climate finance needs of developing countries, which may be said to exceed $1.3 trillion per annum. Morocco also reiterates concerns regarding the quality of finance to be mobilized, given the lack of agreement around its concessionality or grant-equivalence. Morocco also regrets the inability to agree quantified finance goals for mitigation, for adaptation, and for loss and damage.

Morocco is pleased to recall the initial conception of the Roadmap as proposed by various developing countries during COP29. In this initial vision, it was acknowledged that developed countries enjoy considerable fiscal opportunities to equitably raise and redirect their public finances, including by eliminating their fossil fuel subsidies to raise trillions (USD) in new resources, to increase their provision of grant-equivalent climate finance for developing countries, and that a Roadmap should serve to point to these as ways to move forward.

This ultimately gave way to the agreement to call *"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"*; and "*to launch, under the guidance of the Presidencies of the sixth and seventh sessions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, 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 nationally determined contributions and national adaptation plans, including through grants, concessional and nondebt-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 (November 2025);*

The Baku to Belèm Roadmap to 1.3T represents an opportunity to acknowledge and move beyond the shortcomings of the NCQG outcome. Exceeding $1.3 trillion per year in climate finance flows to developing countries is essential to achieving the goals of the Paris Agreement, and as a non-negotiated product the Roadmap is an opportunity for the Presidencies to send a strong message about the importance of international cooperation and support.

Below are Morocco's responses to each of the questions from the Presidencies.

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

- **Needs-based perspective regarding the quantum, based on best available needs assessments**: The Roadmap must be placed in perspective. According to the Standing Committee of Finance (SCF) second report on the determination of the needs of developing countries, between \$5.036 and \$6.876 trillion will be required by 2030 to support developing nations to achieve their costed needs in stated NDCs. Similar or greater figures are suggested by other independent studies of needs across mitigation, adaptation, and loss and damage. In this context, the Roadmap must affirm that the \$300 billion pledged falls far short of needs and acknowledge indications that even \$1.3 trillion in annual climate finance flows to developing countries may well be insufficient to deliver the aims of the Paris Agreement, and should be a floor for ambition.
- **Proposals of pathways and mechanisms to achieve the 1.3T, particularly in terms of "*measures to create fiscal space*" for public finance from developed countries**: The Roadmap must address how to scale up financing to the \$1.3 trillion per year, in particular by clearly outlining options of fiscal actions for developed country Parties to increase their provision of grant-equivalent climate finance to developing countries. Consistent with the decision text language on "measures to create fiscal space", the Roadmap should take note of specific proposals for developed countries to equitably raise their tax revenues or redirect their public spending for international climate finance. For example, during the initial discussions of the Roadmap, it was noted that elimination of fossil fuel subsidies by the largest historical emitters among developed Parties could raise \$1 trillion USD a year in grant-equivalent fiscal resources which might be redeployed to finance climate action domestically and internationally (cf. studies by the International Monetary Fund). The NCQG Technical Expert Dialogues in 2024 also saw proposals from Parties of a number of sectors which developed countries might tax, to raise the requisite finance.
- **Component roadmaps for mitigation, for adaptation and for loss and damage:** The Roadmap should include high-ambition roadmaps for scaling international climate finance flows for mitigation, for adaptation, and for loss and damage between 2025-2035, in line with the respective needs of each area. In this sense, the Roadmap should consider how to scale up the appropriate instruments for each area, with adaptation as well as loss and damage both requiring mainly grants, whereas mitigation offering new revenue generation can be financed by concessional loans. In this context, the inclusion of loss and damage is crucial, especially as the costs of climate change impacts are expected to continue rising, according to best available science.
- **Distinguish between provision versus mobilization versus wider catalyzation of finance, and define a high-ambition aspirational aim for the international public finance component of the Roadmap:** As outlined in paragraph 27 in the CMA decision, the Roadmap is explicitly mandated to include grants, concessional finance, and non-debt

instruments. The Roadmap should therefore clearly distinguish a roadmap for scaling public finance provision in particular, which for transparency should be measured in grant-equivalent terms as well as separately in nominal terms with breakdown of the assumptions of its concessionality. We expect the Roadmap to define high-ambition roadmaps for scaling public finance in each thematic area, including loss and damage.

- **Clear adherence to principles of equity, justice, and common but differentiated responsibilities (CBDR).** The Roadmap should recognize that different modes of financing and use of different instruments (e.g. debt) have different implications for justice and equity in terms of the consideration of which countries are paying for climate action, in a context of differing fiscal space and differing responsibilities for climate change. Moreover, insofar as the decision also calls on all actors to contribute, it is crucial for the Roadmap to differentiate the role of developed countries as actors, to avoid interpretation in a way that contradicts the principles of CBDR, equity and justice.

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

- **Definitions:** For many years, climate finance has been a key topic within the UNFCCC discussions, yet there is still no agreed definition. There is an urgent need to establish a widely agreed-upon definition on climate finance. The Roadmap can develop distinct working definitions for finance provision, which necessitates measurements in grant-equivalent terms, versus finance mobilization (as per the $100bn goal) versus wider catalyzation of finance.
- **Quality of finance:** The lack of grants and concessional finance in climate finance delivery under the $100bn (where the OECD indicates predominant use of non-concessional loan-based instruments) should not be extrapolated to persist under the framework of the 1.3 trillion. Given the critical sovereign debt burdens already constraining developing countries' fiscal capacity, the Roadmap must prioritize grant-based finance instruments instead of maintaining the assumption that developing countries will be able to take on extensive indebtedness. The Roadmap should explore implications of the quality of finance for justice and equity, particularly for areas such as adaptation which should be financed mainly via grants and concessional finance.
- **“Dis-enabling” structural barriers and obstacles to accessing finance:** The COP30 president letter acknowledges that while global capital reserves are sufficient to address the climate finance gap, structural barriers impede these financial flows from reaching developing countries. Significant barriers include the higher cost of capital in developing countries and restrictive conditionalities that limit accessibility. Accordingly, the Roadmap should explore and identify actionable and evidence-based approaches to overcome these obstacles, including de-risking via blending grant-based concessional finance. The Roadmap should not assume, without evidence, that large amounts of private finance will move in the absence of international public finance support.

- **Transparency and reporting:** The Roadmap should reinforce good practices for transparency and reporting, including notably in terms of grant-equivalent accounting by climate finance contributor countries. This will help to ensure that efforts toward the $1.3 trillion deliver climate finance that is transparent and equitable, with comprehensive reporting systems to promote ambition by climate finance contributors.

(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?

Morocco has been internationally ranked by independent experts as a global leader in climate action, demonstrating efforts across renewable energy, adaptation, responding to loss and damage, and policies to enable sustainable finance – in many of these efforts, international climate finance in the form of grants or concessional lending has played a pivotal role. Key achievements include:

- **Mitigation and renewable energy:** Pioneering world-leading large-scale projects like the Noor Solar Complex, wind farm development, and ambitious renewable energy targets, driven by strong long-term political commitments and blended finance with the support of multilateral climate funds to render multilateral development bank loans more affordable.
- **Adaptation:** Coastal protection, water management (including desalination), and sustainable agriculture initiatives (such as water-efficient irrigation), emphasizing nature-based solutions and citizen engagement, benefiting from grant-based and concessional finance from the Green Climate Fund and other channels.
- **Loss and Damage:** Morocco faces a range of losses and damages from climate change, which it has paid for at the expense of its fiscal space for sustainable development. Notably, drought in recent years required emergency government expenditures of approximately 1 billion USD. In addition, Morocco faced devastating floods last year, resulting in significant biodiversity, human, infrastructure and economic losses, leading the government to launch a flood relief plan of 260 million USD that includes reconstruction aid, infrastructure upgrades and farming support.
- **Enabling sustainable finance:** With the support of international partners, Morocco has had longstanding public policy efforts aimed at enabling climate finance, particularly from private sources, including a national roadmap in 2016 and a new national strategy in 2024. Associated efforts include pioneering green bonds, developing disclosure regimes and a green taxonomy, implementing climate-sensitive budgeting, and exploring carbon market mechanisms.

Morocco's experiences highlight **the importance of strong political commitments and policy frameworks as well as the pivotal role of international support, grant-based finance, and concessional climate finance to support blended finance and innovative financial instruments**, to build a resilient, low-carbon economy, providing valuable lessons for other developing nations as well as an inspiring example for developed countries of the importance of scaling international climate finance support.

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

Within the UNFCCC process, the **Standing Committee on Finance's** work, notably on the Needs Determination Reports (NDRs) and definitions of climate finance, will be important to take into account in the development of the Roadmap to 1.3 trillion.

We urge the Presidencies to acknowledge and build on the experiences of the following funds, for which the Roadmap should envisage significant growth over the following decade :

- **The Green Climate Fund (GCF) :** The GCF offers crucial financial mechanisms and lessons for channeling funds; learning from the GCF's experiences can inform the development of innovative climate finance mechanisms for scaling impact. The Roadmap should explore pathways to increase the GCF's scale while improving its effectiveness at leveraging its resources.
- **The Adaptation Fund** : The unique experience of the Adaptation Fund, particularly in terms of its mode of financing, would be insightful for the Roadmap to draw upon in terms of envisaging a scaling of adaptation finance over the next decade. Given the increasing impacts of climate change, adaptation finance is crucial.
- **The Fund for Responding to Loss and Damage:** Responding to the impacts of climate change and compensating impacted communities is a key pillar for climate finance under the 1.3 trillion. The Roadmap must address the growing need for finance related to loss and damage by envisaging a much larger FRLD which is at-scale to meet global needs.

While finance from carbon markets is distinct from climate finance, the Roadmap should explore the interlinkages and relationship with **Article 6 Mechanisms** in facilitating carbon market cooperation and potentially enhancing funding streams. In supporting high-impact projects, Article 6 mechanisms can unlock new finance sources and attract private investment, encouraging innovation while potentially providing additional revenue streams for areas such as adaptation finance.

Outside the UNFCCC process, various multilateral initiatives are relevant to take into account, notably:

- **The 4th International Conference on Financing for Development (FfD4), under the United Nations,** provides a dedicated multilateral space to address the systemic issues hindering development and climate finance flows to developing countries. It can serve as a checkpoint for the Roadmap in terms of consensus on financing mechanisms such as taxation that developed countries could use to mobilize public resources for international climate finance. Since the Roadmap underscores the importance of "grants, concessional and non-debt-creating instruments, and measures to create fiscal space", FfD4 conclusions relating to these areas will be of particular significance to the Roadmap. Lastly, FfD4 can also provide the Roadmap with a basis of strong consensus for initiatives regarding the role of MDBs in scaling finance, particularly in terms of recommended practices for increasing financing, reducing the cost of capital, derisking NDC projects, and expanding private sector investments for developing countries.

- **United Nations Tax Convention process:** The UN Convention on International Tax Cooperation is a multilateral initiative that could play a key role in bridging existing gaps in climate finance, by unlocking great quantities of new fiscal resources, both for developing countries as well as for developed countries as climate finance contributors. This process was initiated by the African Group in 2023 by introducing the Resolution 78/230 on the development of a UN tax convention at the UN General Assembly (UNGA), with the Kingdom of Morocco engaging closely in this effort. The process culminated in November 2024 when countries at the UNGA voted to adopt the mandate for establishing a new global process on tax.