Submission from Norway – Baku to Belém Roadmap to 1.3T

7th April 2025

Norway welcomes the opportunity to provide input to the COP29 Presidency and the incoming COP30 Presidency work on the Baku to Belém Roadmap to 1.3T (referred to as the Roadmap).

To facilitate input and engagement from all relevant stakeholders we would like to highlight the importance of an open, inclusive and transparent process for the development of the Roadmap, benefitting from existing work and a broad range of competence and experts. Norway is looking forward to engaging with all partners and stakeholders, whilst being cognisant that the two presidencies are mandated to develop the roadmap and that we do not foresee any negotiations to be convened on the matter.

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

Norway welcomes para. 7 in the decision on the New Collective Quantified Goal on Climate Finance (NCQG*)* that calls on all actors to work together to enable the scaling up of financing to developing countries for climate action to at least USD 1.3 trillion per year by 2025. We see the Roadmap as a great opportunity to advance the work towards this climate finance ambition this year.

In Norway’s view the Roadmap should:

1) **Serve as a unifying process that connects key actors, processes, and initiatives.** The Presidencies should identify and actively involve external stakeholders, particularly businesses, institutional investors, MDBs and experts, to ensure broad engagement of all relevant key actors. We also expect the Presidencies to consult Parties regularly throughout the process. The Roadmap should build on existing knowledge, processes and initiatives. The OECD (Organisation for Economic Co-operation and Development) and The Independent High Level Expert Group are examples of actors that can provide useful data, analysis and recommendations. Furthermore, drawing on knowledge and information from relevant processes and initiatives could be a way for the Roadmap not to duplicate work, but rather help create momentum for scaling up finance for climate action.

2) **Be action-oriented, by identifying clearly different actions for different actors.** The Roadmap could be an important element of the Action Agenda at COP30/CMA7, and we encourage the Presidencies to engage with the Climate High-Level Champions to explore possible synergies with the Action Agenda. The Roadmap must communicate well to non-state actors, in particular businesses and the financial sector.

3) **Give guidance on measures that can help unlock greater levels of private capital for climate action in developing countries.** If the Paris Agreement goals are to be achieved, both adaptation and mitigation financing would need to be increased manyfold. While public finance remains central, especially for managing the

consequences of climate change impacts and in supporting the most vulnerable countries and communities (particularly LDCs and SIDS), it will not be sufficient to meet the scale of finance needed. The IPCC highlights that there is sufficient global capital to close the global investment gap, but there are barriers to redirecting capital to climate action. The Roadmap should identify how such barriers can be effectively addressed, thereby enabling significant scaling up of finance for climate action.

4) **Adopt approaches that fully respects, promotes and consider human rights and inclusivity**. Climate finance should be channelled in ways that give particular consideration to groups and individuals most affected by climate change, including children, Indigenous peoples, women, migrants and internally displaced persons and persons with disabilities. Climate finance must be deployed in a way that does not exacerbate existing inequalities, but instead contributes to addressing them.

5) **In line with its mandate, not be a negotiated outcome.** The focus should be on implementation, and the Roadmap process is not to reopen any part of the NCQG decision. Based on paragraph 27 of the decision we see the Roadmap as a one year process.

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

The Roadmap should focus on thematic issues that are central for different actors to contribute to scaling up financing for climate action from all sources, including:

- Incentives, enabling conditions, regulations and policies, including emission pricing
- Finance flows running counter to the alignment with limiting global warming to 1.5 °C, and nature-based solutions, such as:
    - Harmful subsidies for fossil fuels
    - Subsidies that disincentivize nature-based solutions
- Grants, concessional and non-debt creating instruments, multilateral initiatives
- Emission disclosure, and management and reporting of climate-related financial risks
- Instruments to leverage private sector engagement and investments, including
    - Market-based mechanisms under article 6.2 and 6.4 of the Paris Agreement
    - Voluntary carbon markets, with high environmental integrity
    - De-risking instruments, such as guarantees and insurance solutions, equity and equity-like instruments
- The reform process of the international financial architecture, including MDBs, to make them more responsive to country priorities and better positioned to catalyse private finance for climate action
- Innovative sources of finance
- Access to climate finance in all geographical regions and sectors, and in this regard identifying ways to overcome regulatory/institutional, commercial and infrastructure/technological barriers

- Identifying ways to overcome barriers, enhance access and scale up adaptation finance for countries most vulnerable to climate change (in particular LDCs and SIDS), including addressing the high cost of capital and debt burdens

(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?

The Roadmap should build on and strive to scale-up successful, existing measures and initiatives. We would like to share three experiences from different Norwegian climate initiatives relevant for the development of the Roadmap:

1) **Funding from Article 6 ITMOs under the compliance market can help make projects commercially viable, encouraging innovation and scaling up solutions to reduce emissions effectively**. The Norwegian Global Emission Reduction (NOGER) Initiative aims to directly contribute to emission cuts and green transitions in developing countries with an approved envelope of 740 million USD. It utilizes the Paris Agreement Article 6 framework with the aim to increase countries' ambitions, and the cooperation can mobilize large private, green investments.

   The private sector will play a key role by providing both the investment capital needed for these projects and the technical expertise to implement them successfully. Efforts and financial contributions under Article 6.2 and 6.4, as well as the mobilized private capital from cooperations, can play an important role in reaching USD 1.3 trillion.

2) **Voluntary carbon markets can be a powerful tool to mobilize finance from the private sector for forests.** Norway supported the development of the LEAF Coalition, where governments and companies have come together to catalyze demand and pledge over a billion USDs to purchase verified emission reductions from high integrity REDD+ programs at national or sub-national level.

   Norway also works multilaterally to strengthen the investment climate and ensure an enabling environment which supports policy implementation, sustainable investments, participation in carbon markets, and access to climate finance. Examples of such efforts are the UN-REDD Programme and The World Bank Carbon Funds, which support countries in building inclusive national REDD+ strategies and robust systems to measure, report and verify emission reductions from forests. Such institutions are ensuring enabling environments which supports sustainable investments, to participate in emission trading, and access climate finance.

3) **De-risking instruments can support climate actions, such as the energy transition.** The Norwegian Investment Fund for Developing Countries (Norfund) is the key private-sector investment instrument of Norway's development policy. In 2022, Norfund began managing the Climate Investment Fund. Its aim is to accelerate the global energy transition by investing in renewable energy, storage and transmission in emerging markets with large emissions from coal and other fossil power production. The Climate Investment Fund has already had significant impacts. By offering equity investments, Norfund attracts private investors and lenders, and significantly leverages public funds. Norfund's experience is that investing in high-risk environments requires a solid risk management strategy. Careful selection of projects and thorough due diligence are essential to mitigate risks. Successful investments also often involve strong partnerships with local businesses and other stakeholders. Collaboration helps leverage local knowledge and resources, enhancing the effectiveness of investments.

Norway has also recently established a 5-year unfunded state guarantee facility of approx. 500 million USD for renewable energy in developing countries. The aim is to reduce risks for private investments in renewable energy in developing and emerging markets in a way that contributes to energy access and reduced climate emissions.

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

Following multilateral initiatives should be taken into account when developing the Roadmap:

- The Forest & Climate Leaders' partnership (FLCP)
- The G20 processes including the G20 Finance Track/Sustainable Finance WG
- The 4th International Conference on Financing for Development
- The Clean Energy Transition Partnership (CETP) and the Energy Transition Commission
- The Coalition of Finance Ministers for Climate Action
- Network of Central Banks and Supervisors for Greening the Financial System (NGFS)
- Glasgow Financial Alliance for Net Zero and the International Investor Group on Climate Change
- Global Carbon Pricing Challenge
- The Science Based Targets Initiative, including beyond value chain mitigation the Transition Pathway Initiative
- The Carbon Disclosure Project
- Convergence (Convergence - The Global Network for Blended Finance)
- Mobilising Capital to Meet the Global Goals (Mobilist)

Summary

In summary, Norway emphasises the importance of an action-oriented Roadmap, that unlocks private capital for climate actions. By addressing the outlined thematic issues and learning from and building upon different existing initiatives, the Baku to Belém Roadmap to 1.3T can mobilise finance for climate action in developing countries.