

# **The United Kingdom of Great Britain and Northern Ireland's submission to the United Nations Framework Convention on Climate Change on the Baku to Belém Roadmap to 1.3T.**

provided following the invitation from the COP29 and COP30 Presidencies.

The United Kingdom welcomes the opportunity to set out our views on the *'Baku to Belém Roadmap to 1.3T'*, in response to the questions posted by the COP29 and COP30 Presidencies. The submission below proposes:

- Recommendations on the Roadmap process;
- A potential structure for the Roadmap;
- Examples of UK experiences relevant to the contents of the Roadmap;
- Examples of multilateral initiatives relevant to the Roadmap.

### **EXPECTATIONS FOR THE “BAKU TO BELÉM ROADMAP TO 1.3T”**

**The COP29 and COP30 Presidencies should establish a clear vision for the *'Baku to Belém Roadmap to 1.3T'*.** The Roadmap mandate provides an opportunity to holistically examine the full landscape of climate finance and should, as set out by the COP30 President, “*serve as a fulcrum for leveraging finance to low-carbon and climate-resilience pathways in developing countries*”<sup>1</sup>.

The UK considers that the purpose of the Roadmap is to recognise challenges and identify breakthroughs that could unlock the full potential of finance to developing countries. It should help deliver on the imperative of sustainable finance in a climate-stressed world.

The Roadmap provides the first opportunity under the UNFCCC and the Paris Agreement to examine the full finance landscape and how we can take a holistic approach to scale up financing to developing countries for climate action across adaptation, mitigation and ensuring the co-benefits of nature and climate finance are maximised. This will include considering how the new collective climate finance goal of “at least £300bn” forms a part of the action required to scale up at least \$1.3tn by 2035. Only a truly holistic Roadmap can set out a credible pathway to deliver effective and accessible finance at the scale of needs of developing countries. By its nature, the Roadmap will need to take account of and speak to sectors and actors beyond the UNFCCC and should take on the lessons and insights from existing expertise such as that from the Independent High Level Expert Group (IHLEG).

#### Roadmap Process

The process by which the Roadmap is produced will be as important as the final product. If done well, the opportunity to convene and build a shared intention from all actors could generate ongoing action. To facilitate an inclusive process, we encourage the Presidencies to publish a timeline as soon as possible which details plans for development of the Roadmap and engagement opportunities.

To ensure credibility, the Roadmap must be developed through an evidence-based, transparent and inclusive process. Proactive and inclusive engagement should include but not be limited to those outside of the multilateral process such as boards of multilateral and plurilateral funds, think tanks, CSOs, NGOs, International Financial Institutions, climate scientists and the private sector (including international standard setting and regulatory bodies).

Developing the Roadmap is not a negotiation, and the final product should not seek to relitigate negotiated outcomes from previous years.

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<sup>1</sup> COP30 President-Designate, 10 March 2025: <https://unfccc.int/documents/645947>

## **TOPICS AND THEMATIC ISSUES TO BE EXPLORED TO INFORM THE ROADMAP**

To take a holistic view of the delivery of climate finance and opportunities to scale up to \$1.3tn from all sources, the Roadmap could follow the structure outlined below:

- 1. Identify the qualitative challenges and opportunities in the current landscape, setting out the context for the scaling up to \$1.3tn, and identify options for reform at systems and national level to reduce barriers.** The Roadmap should explore and enable a renewed focus on themes such as enhancing access to and quality of climate finance, scaling adaptation finance, and addressing unsustainable debt linked to helping provide borrower countries the fiscal space to take climate action. These considerations should include assessment of the current barriers faced by the most vulnerable in access to climate finance, in particular SIDs and LDCs
- 2. Identify and explore sources of finance that are key to contributing towards and delivering at least \$1.3tn** and where appropriate **identify where source-specific reform is needed to scale up.** The NCQG agreed a goal of “at least \$300bn” per year by 2035 for developing country Parties for climate action from a wide variety of sources – including public finance, publicly mobilised finance and all MDB outflows. The sources that contribute to achieving this goal will also contribute the \$1.3tn, along with additional sources which include but are not limited to:
  - a) Innovative finance mechanisms including new global taxes and solidarity levies, where some revenues could start to be used for climate finance;
  - b) Private sector finance: outlining ways and means through which international private sector finance can be catalysed, including through international and domestic reform, and what support may be needed for developing countries in their continued work to create more enabling conditions;
  - c) Carbon and nature markets, including a spotlight on voluntary carbon markets to raise integrity and unlock more finance.
- 3. Identify additional vehicles and mechanisms** which can be used to encourage scaled-up finance from the sources in the section above, such as international initiatives, country platforms, coordinated investment planning, and the International Monetary Fund’s Resilience and Sustainability Trust. This could also include the channelling of Special Drawing Rights for countries in a position to do so, and increasing the delivery of Pre-Arranged Finance, which can be used to strengthen resilience and reduce the costs associated with weather disasters.
- 4. Finally, the UK considers that, where appropriate, actionable and targeted recommendations** could be included to indicate possible enhancements to scale and quality across the sources and vehicles of finance to facilitate sustainable achievement of at least \$1.3tn. Such recommendations would not be limited to action which can be taken under the UNFCCC and should recognise where breakthroughs are needed. Recommendations could be included in the Roadmap as a stand-alone section, or embedded throughout.

## **EXAMPLES OF COUNTRY EXPERIENCES, BEST PRACTICES AND LESSONS LEARNED**

The Roadmap should consider replicable examples, best practices and lessons learned from all countries. The following examples from the UK are mapped against the proposed structure to outline actions already being undertaken on which the Roadmap can build:

### **The qualitative challenges and opportunities in the current landscape**

- The Centre and Taskforce on Access to Climate Finance – The UK first funded the Taskforce on Access to Climate Finance, and now the Centre on Access as well, to be a research and evidence-based voice on how to improve access. Lessons learned from both the Taskforce and Centre should be taken into account when identifying which approaches improve access as well as options for reform of the climate finance architecture.
- Debt measures - The UK is working with partners to support action on several fronts, including with the G20 to enhance the Common Framework. The UK is also leading the way in promoting Climate Resilient Debt Clauses, also known as Natural Disaster Clauses, which suspend debt repayments in the wake of exogenous shocks. The Roadmap should consider the existing measures relating to debt and how debt can be managed sustainably and in line with country deliverables.
- Grant-based finance - The Glasgow Climate Pact included a call for a continued increase in the scale and effectiveness of climate finance from all sources globally. Several projects have subsequently aimed to build scale and effectiveness of climate finance in response to calls for improved quality of climate finance. Lessons learned from these workstreams should be reflected in the Roadmap to encourage other projects to build on these successes, as appropriate – such as from the UK’s Partnering for Accelerated Climate Transitions (PACT) programme - which delivers impact through a combination of grant funding for longer term capacity building projects and the rapid mobilisation of expertise through “expert deployments”.

#### **Sources of finance that are key to contributing towards and delivering at least \$1.3tn**

- Private capital mobilisation inc. through blended finance – There remains significant potential for private capital mobilisation towards the \$1.3tn and multiple mechanisms to address it. Existing examples should be considered in the Roadmap in the context of broader reform. UK examples of efficient solutions through replicable and scalable transactions and methodologies include:
  - The Private Infrastructure Development Group, which aims to double its investment commitments to \$1bn per year commitments by 2030, and cumulatively mobilise over \$12.5bn from the private sector through these, to support projects enabling climate mitigation, adaptation, or resilience.
  - Financial Sector Deepening Africa (FSDA) and its investment arm FSDAi which aims to catalyse £2bn for adaptation projects in Africa by 2030.
  - The UK’s flagship public markets programme, MOBILIST, delivered in partnership with NORAD and SECO, aims to catalyse the opportunity of public markets and mobilise development and climate finance at scale in EMDEs.
- Voluntary Carbon markets (VCMs) – The action needed to raise integrity and unlock greater finance flows from VCMs should be championed by the Roadmap. The UK is acting to strengthen trust in VCMs so they can channel higher, more consistent volumes of finance. This includes work on the UK principles for voluntary carbon and nature market integrity, and carbon market programmes like the LEAF Coalition.

The Roadmap should further consider measures to strengthen enabling environments for private investment including:

- Continued focus to build capacity to support legislative and regulatory reform in institutions that can reduce or remove barriers to investment.

- Support for the development of pipelines of high-quality climate projects and businesses that are investment ready.
- Support for better investment data in EMDEs including on quality and transparency.
- Deepening local capital markets to scale local sources of finance
- Integrated national, sectoral and private sector transition planning.
- Regulatory frameworks to enhance transparency of the sustainability performance of private financial institutions and corporates.
- The Climate Adaptation and Research Programme (CLARE) which works to bridge gaps between science and action by championing Southern leadership of research.

#### **Vehicles and mechanisms which can encourage scaled-up finance from the sources**

- Climate and Development Ministerial – This forum has advanced action on key financing for climate and development goals relevant to the Roadmap, including on debt, adaptation finance, and access. The actions and lessons learned from the Ministerial should be taken into account in the Roadmap’s development.
- Coordinated investment planning - the UK works through the NDC Partnership with MDBs, UN agencies, and others to help countries set ambitious national commitments. The lessons learned from these groups should be highlighted through the Roadmap.
- Country Platforms – Country platforms will be a key consideration within the Roadmap. The UK supports country-led efforts to accelerate climate finance flows including through national platforms, Climate Finance Units, sectoral initiatives like Just Energy Transition Partnerships, and co-convened platforms such as the UK-Brazil ‘Industrial Decarbonisation Hub’ and ‘Hydrogen Hub.’ Such models that adopt a country-led manner to accelerate climate finance flows should be spotlighted by the Roadmap.

The multilateral initiatives outlined below will also be relevant to this section of the Roadmap.

#### **MULTILATERAL INITIATIVES RELEVANT TO THE ROADMAP**

Many multilateral and plurilateral forums are already considering issues relevant to the Roadmap. The Roadmap should take into account this work and send clear signals in support of the need for action. Such forums include: Finance for Development 4 (FfD4), G20, G7, the Rio Conventions, the Cali Fund, the UN CBD’s Resource Mobilisation Strategy and the work of the Sharm el-Sheikh Dialogue. For example, the Presidencies could consider G20 work on climate finance, finance reform as well as the MDB Roadmap vertical climate and environment funds (VCEFs) Review, the recommendation by High-Level Panel on Closing the Crisis Protection Gap to scale up PAF from 2% to at least 20% of all crisis finance by 2035 – recently endorsed by the UK, the landmark MDB Joint Nature Statement (which recognises the crucial role of nature in addressing climate change), Capital Adequacy Framework (CAF) Review and recommendations on scaling co-financing between MDBs and VCEFs, taking on board the lessons learned from them within the Roadmap and identifying where they can be applied elsewhere, whilst further recognising the impact these fora can have in achievement of the at least \$1.3tn.

The Roadmap should further consider initiatives such as the Bridgetown Initiative’s 16 priority reforms and the five proposed breakthroughs of the Paris Pact for People and Planet (4P). The Roadmap process could seek to engage with these initiatives and their members to build from their convening power and research into financial initiatives that can support achievement of at least \$1.3tn by 2035.