Submission on behalf of YOUNGO for the Baku to Belém Roadmap to 1.3T

As YOUNGO, we are deeply concerned about the significant lack of quality finance that will be provided under the NCQG and the Roadmap must therefore offer clear guidance on how the annual financing needs of developing countries can be provided and mobilised. It must establish a clear pathway that can start the implementation of additional funding at COP30 in a way that supports sustainable development and avoids exacerbating the debt burden on these countries. Considering the urgency of the climate crisis, starting a new lengthy process on how to deliver by 2030 must be avoided, and 1.3 Trillion needs to be provided and mobilised as soon as possible.

This submission is structured following the questions provided by COP29 and COP30 Presidencies request for inputs.

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

Clarifying vaguely formulated goals

Our primary expectation is that the "Baku to Belém Roadmap" brings clarity to the vague and often unclear language surrounding the 1.3T Goal. Just like other previous COP decisions, this roadmap has outlined an ambitious climate finance goal, but there is a lack of specificity on how exactly this target will be met, and how it will guarantee quality in delivering it. Clarity is crucial in holding all parties and other stakeholders accountable.

We need clear definitions/guidelines on the following:

- How are mitigation, adaptation, and loss and damage funding defined, tracked, and how will they be accounted for?
- What sources of climate finance exactly are included and tracked in the $1.3 trillion target?
- Are there clear commitments and binding obligations for Parties?

Ensuring quality

NCQG should promote and report on the agreed goal that climate finance must respect, protect, promote, and fulfill human rights by being human rights-based and gender-responsive, and must safeguard the rights of Indigenous Peoples and consider the needs and priorities of the other people and communities on the front lines of climate change, including women and girls, children, youth, persons with disabilities, and workers, as well as local communities and civil society, in recognition of their critical roles in preventing, addressing and responding to climate change. For instance, ensuring alignment with the Just Transition Work Programme (JTWG) to promote sustainable development, while upskilling workers, enhancing food and energy security, and restoring ecosystems.

Operationalising the finance gap of the disappointing NCQG outcome

Paragraph 13 of the NCQG text affirms that the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation. Adaptation finance amounted to just 40% (32.4 billion) of the total finance provided by developed countries under the USD 100 billion goal.

Additionally, although progress has been made towards targets set under Glasgow Climate Impact, achieving this goal would only reduce by about 5% the adaptation finance gap faced by developing countries, which is estimated at USD 187-359 billion per year.

Given the rising frequency of weather events, Parties require a substantial amount of finances to implement strategies developed as part of their respective National Adaptation Plans (NAPs). Even though there is no compiled estimate of the financing required by Parties to implement the NAP[1] for the adaptation components of the Nationally Determined Contributions (NDCs), this figure is estimated to be between USD 140 to USD 300 billion by 2030.

Considering the adaptation finance gap, the financing needs of NAPs, and the glaring failure to follow Article 9 of the Paris Agreement, the proposed target of USD 300 billion by 2035 will prevent developing countries, especially LDCs and SIDS, from addressing risk due to climate-induced disasters.

Clear commitment of developed countries in taking the responsibility and the lead in climate finance.

The Baku to Belem Roadmap must demonstrate the leadership of developed countries in providing and mobilising climate finance, as it is a crisis they have caused. It should leave no doubt that developed country Parties have been the primary contributors to the climate crisis, making it a matter of justice that they provide the necessary financial support to developing countries. While we acknowledge that the private sector can play a role in financing climate related projects, the primary responsibility for delivering climate finance rests with developed country Parties – with clear reporting and consequences for non-compliance.

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

Scaling up non-debt inducing climate finance to developing countries.

Today, 93% of the countries that are most vulnerable to the climate crisis are already in, or at significant risk of, debt distress and 3.3 billion people live in countries that are forced to spend more servicing existing debt than towards essential services like education or healthcare. Climate finance mobilized and provided under this Roadmap must avoid worsening the debt crises or burdens of developing countries, prioritising grants, grants-equivalent and highly concessional public finance, especially for the adaptation and Loss and Damage, which also requires the phasing out and reallocation of fossil fuel subsidies and the reallocation of military spending. We call on Parties to take into account indebtedness, transaction costs, and the increasing costs to adapt to climate change by vulnerable countries, and ensure transparency by reporting on the concessionality levels of their financing.

[1] This statement is based on estimates of how much finance developing countries need to support adaptation more generally. Previous global estimates have suggested ranges from US$70 billion to US$100 billion per year by 2050. Estimates based on sectoral and national analysis, though, have forecasted costs of US$140 billion to US$300 billion by 2030, and US$280 billion to US$500 billion by 2050

We note the impacts and roles that private finance and other financial actors play in the global financial system and recognise the need for stronger policies to ensure their Paris-alignment. However, loans and private financial flows at market rate of return should not be counted towards the 1.3T Goal. It is a violation of justice when the money that is supposed to "help" countries respond to the climate crisis creates an unsustainable snowballing of debt that further exacerbates those countries' economic, social, and ecological vulnerabilities. Non-debt-inducing climate finance is essential to ensure intergenerational responsiveness in the Roadmap, as climate change and financial decision-making have long-term implications for future generations and the resulting debt unfairly burdens the youngest generations, all of whom bear no responsibility for climate change. We urge Parties to position ensuring and accessing climate finance as a matter of intergenerational equity.

Accelerating adaptation finance

Sub-goals should be established within the NCQG, guided by the Global Goal on Adaptation, National Adaptation Plans, and other relevant frameworks. Given the increasing frequency and severity of extreme weather events, adaptation financing targets must remain flexible to address evolving national needs. Strengthening the capacity of Parties to identify adaptation finance gaps is essential, along with fostering dialogue through consultations, trainings, and workshops to improve the delivery and accessibility of funds. Additionally, exploring innovative financing approaches, including mobilizing private sector investments, is crucial. These efforts must be accompanied by robust transparency and accountability measures to ensure effective and equitable allocation of resources.

Private climate finance in the light of the mandate.

The Roadmap should explore how private contributions to climate finance can be measured and accounted for in a way that ensures transparency on sources, channels, geographical distribution – with special considerations to SIDS and LDCs – and the safeguarding of human rights and the rights of vulnerable groups.

Ensuring transparency, accountability, and accessibility in climate finance.

We emphasize the need for robust reporting mechanisms that track the delivery, utilization, and impact of financial commitments, ensuring that climate finance effectively reaches those most affected by the climate crisis, including children and youth, Indigenous Peoples, women & gender diverse groups, workers, refugees, persons with disabilities and frontline communities initiatives. Climate finance progress should be monitored through Biennial Transparency Reports, where developed countries report on finance provided and mobilized, while developing countries, where possible, report on finance received and needed. To reinforce accountability, we call for a structured review cycle aligned with the Global Climate Transparency (GCT) cycle and a five-year quantum review to assess progress. Additionally, the operationalization of the NCQG must integrate participatory governance by involving civil society, youth, and frontline communities in decision-making, ensuring that financial flows align with intergenerational equity and human rights-based principles. Without clear consequences for non-compliance, climate finance risks remaining a vague commitment rather than a transformative tool for global climate justice.

(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?

Increasing direct access

Direct access to climate finance as a best practice is crucial to ensuring that resources reach those most affected by the climate crisis, particularly developing countries, Small Island Developing States (SIDS), Least Developed Countries (LDCs), women and girls, children, youth, persons with disabilities, local communities, workers, as well as Indigenous-led initiatives. The Baku to Belém Roadmap must establish mechanisms that guarantee equitable, transparent, and efficient finance flows by minimizing bureaucratic barriers and empowering country-driven approaches. Strengthening in-country coordination, participatory decision-making, and direct engagement with primary recipients—especially local communities—will enhance the effectiveness and impact of climate finance, especially considering adaptation finance gap as only 10% of adaptation finance reach the local level. Moreover, finance must be delivered in a way that accounts for socio-economic and environmental vulnerabilities, fostering long-term resilience and in-country capacities rather than deepening financial dependence. Upholding principles of climate justice, direct finance must also ensure the ethical and equitable inclusion of Indigenous knowledge in designing and implementing climate solutions. This is a key opportunity to institutionalize direct access modalities, shift power dynamics in climate finance governance, make financial flows more responsive to the needs of frontline communities, and enable improved country ownership.

Global Innovation Lab for Climate Finance (link)

The integration of **compliance and progressive emission pricing instruments** (e.g., carbon taxes, emissions trading systems) into climate policy frameworks can accelerate a just transition. Additionally, revenue generated from these mechanisms should be reinvested to scaling up industrial decarbonisation and/or compensate affected or vulnerable communities.

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

- **Bretton Woods institution reforms** as the world bank and IMF facilitate global climate finance as well as all development banks.
- **Solidarity levies**.
- **Better alignment with other UN agencies:** Nature finance targets established at the Global Biodiversity Framework (GBF) and the CDB, the upcoming FfD4 outcomes.
- **Better alignment with other UNFCCC Processes:** Loss & Damage Fund operationalization, Article 2.1c Dialogue, Global Goal on Adaptation.

- **Clean Energy Transition Partnership/Glasgow Statement** on ending new public direct international fossil fuel finance - with the implementation of policies restricting such finance by certain Glasgow signatories in the Global North, analysis suggests that $5.7 billion USD per year is being shifted instead towards clean energy finance. This country-specific commitment is meant to cover all varieties of national financing - including through development banks and export credit agencies.[2]

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[2] Research and analysis as of 2023.
https://www.oilchange.org/wp-content/uploads/2023/03/PROMISE-BREAKERS.pdf