



Advancing the Baku-to-Belém Climate Finance Roadmap

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EVENT SUMMARY

24 APRIL 2025 | WASHINGTON, D.C.

On 24 April 2025, the Institute for Climate and Society (iCS), Climate Policy Initiative (CPI), CONCITO, Brazil's Ministry of Finance, and the Atlantic Council held a high-level consultation in Washington, D.C., to gather expert input on the Baku-to-Belém Climate Finance Roadmap. The effort to develop the Roadmap builds on discussions that took place under the Brazilian G20 Presidency, where several challenges and opportunities to strengthen the robust delivery of climate finance were addressed and recommendations were [presented](#). Moreover, shared objectives with the South African G20 Presidency's priorities this year are welcome and should be leveraged. As such, this meeting sought to align and forge links across global agendas.

The gathering brought together representatives from governments, development finance institutions, advisory groups, civil society, and the private sector to further examine and assess progress, challenges, and solutions to enhance climate finance and support the development of the Roadmap. The discussion was structured around Brazil's COP30 Presidency's five priorities for its Circle of Finance Ministers. The following summary provides key insights and recommendations from the discussions. Comments are not attributed to specific participants, as discussions took place under Chatham House Rules.

THE CIRCLE OF FINANCE MINISTERS: IMPLEMENTATION, INVESTMENT, AND INNOVATION

In 2024 at COP29 in Baku, the urgency for climate finance to flow into developing countries and to meet the global climate finance goals was clear. Meeting financing needs will require USD 1.3 trillion with resources coming from an unprecedented increase in private sector investment, multilateral development bank (MDB) and bilateral climate finance, innovative finance, and South-South Cooperation (SSC).

The call for the Baku-to-Belém Roadmap was the result of this urgent plea. It represents a realistic course to mobilize USD 1.3 trillion in annual climate finance for developing countries by 2035. This Roadmap, one of the goals for the Brazil COP30 Presidency will aim to build a compelling investment case for climate action, one that is rooted in economic realities and aligned with development goals. It will outline practical strategies to reform multilateral finance, improve access to climate finance, boost domestic capacities and unlock large-scale investment opportunities. Six critical investment imperatives are the foundation of the Roadmap; energy transition; adaptation and resilience; loss and damage; natural capital; and just transition, as well as cities.

The ambition of COP30 under the Brazilian Presidency is to serve as a "COP of Implementation," marking a shift from negotiation to delivery. The COP30 "Circles," four leadership groups that include the Circle of Finance Ministers, are integral mechanisms that Brazil has launched to engage a range of actors, from finance leaders to civil society, and help shape actionable outcomes. The COP30 Circle of Finance Ministers will have a specific contribution to charting the Baku-Belém Roadmap, considering the vital role that finance ministers around the world have in climate finance. To fulfil the targets of the Baku-Belém Roadmap, the COP30 Circle of Finance Ministers is structured around five strategic priorities:

1. Reforming Multilateral Development Banks (MDBs);
2. Expanding concessional finance and climate funds;
3. Creating country platforms and boosting domestic capacity to attract sustainable investments;
4. Developing innovative financial instruments for private capital mobilization; and
5. Strengthening regulatory frameworks for climate finance.

PILLARS OF ACTION: RECOMMENDATIONS FOR THE ROADMAP

STRENGTHENING MDBS AND POLICY COHERENCE

MDBs are an important catalytic factor in scaling climate finance. While the G20 MDB Roadmap represents a foundation for enhancing the impact of MDBs, there are also short-term operational improvements that do not require governance changes—such as standardized term sheets, harmonized environmental, social, and governance (ESG) standards, and risk-sharing/co-financing coordination—that the Baku-Belém Roadmap can focus on to improve coherence across institutions.

Maximizing synergies and strengthening collaboration between MDBs and other Development Finance Institutions (DFIs) should also be addressed by the Roadmap. Guidance around coordinating complementarity and strategic use of existing MDB and DFI tools such as policy-based lending can incentivize national development banks and the broader ecosystem of public development banks (PDBs) to deliver on climate priorities. Enhanced collaboration can also build more robust project pipelines. MDBs should continue to promote and engage with innovative financial instruments for private sector capital mobilization, using hybrid and blended capital to unlock resources and scale up. Lastly, country platforms are a means of enhancing MDB operations for high impact and do not require governance changes.

The Roadmap should build on existing outcomes from the Brazilian G20 Presidency such as the MDB Roadmap ([2024 IFAWG](#)).

EXPANDING AND OPTIMIZING CONCESSIONAL FINANCE

Concessional finance remains a vital lever to de-risk climate investments and mobilize private capital. It plays a pivotal part in addressing specific areas where revenue streams are nascent such as nature, just transition, and capacity building. More effective uses of vertical climate and environment funds (VCEFs), as well as climate-related debt swaps and solidarity levies could expand and optimize the allocation of concessional funds. VCEFs, with greater capacities to manage risks, can be an important factor in local currency transactions.

The Roadmap could also examine enhancing liquidity policies within climate funds such as the Green Climate Fund (GCF). For example, current GCF liquidity requirements tie up resources that could otherwise be used to underwrite guarantees or blended finance structures. Given the access of MDBs to VCEFs, the Roadmap could also examine ways to streamline and standardize

their involvement to further unlock the delivery of those funds, building on the South Africa G20 Presidency efforts (2025 SFWG).

In addition, new business models such as the Inter-American Bank (IDB) Invest's originate-to-share model and the Climate Investment Funds (CIF)'s Capital Markets Mechanism (CCMM) recently listed on the London Stock Exchange are promising examples of the potential to leverage multilateral funds and catalytic capital to mobilize private finance through capital markets. These models can inform the Roadmap and offer new ways to pave the way for enhanced concessional finance.

The Roadmap can further expand on the findings and recommendations enclosed in the final report of the Independent High-Level Expert Group Review of the VCEFs appointed by the Brazilian G20 Presidency and the SFWG.

OPERATIONALIZING COUNTRY PLATFORMS

Country platforms can have an impactful role as nationally led investment frameworks. Although they are not a panacea and there is no one platform that suits all requirements, as challenges and solutions vary from country to country. Country platforms can help resolve challenges and are key to scaling up financing to address priority goals emerging from Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), each achieving important transformational goals. Country platforms must be grounded in the social context and designed in coordination with sub-national governments and local stakeholders. Domestic institutions such as PDBs are essential actors given their ability to originate and deliver projects aligned with national plans. Evolving lessons suggest that successful initiatives are driven by strong ownership at the highest level and aligned with country's overall development goals. The Roadmap should encourage complementary instruments as well as financial and technical support to nations designing new country platforms, highlighting the critical role of more effective SSC knowledge sharing. For instance, the NDC Partnership, with Brazil and Denmark as co-chairs, can be used as a tool to support this.¹ The Coalition of Finance Ministers for Climate Action, with 97 member countries, can also enhance the expansion of country platform agendas by bringing together the different perspectives of coalition members from around the world. A new "spark plug" philanthropic fund could also help countries in the early stages of designing country platforms ahead of COP30.

MOBILIZING PRIVATE INVESTMENT AT SCALE

Mobilizing private capital at scale is critical to achieving the Roadmap's ambitions. Connecting public and private capital is essential to the success of existing and future public-private partnerships (PPPs). Stronger local capital markets can bring additional resources as well as greater familiarity with local contexts. Yet to bring in these players, certain innovative financial instruments need to be scaled. The Roadmap should emphasize the replication of innovative yet proven examples and models for managing a range of risks. The Roadmap can provide examples of fit-for-purpose instruments such as guarantees, blended finance structures, and sustainability-linked bonds as well as expanded risk-pooling mechanisms that can be replicated across the

¹ Brazil's Ecological Transition Plan and Denmark's Green Government Committee are emerging examples of good practice from both the country platform and investor perspectives respectively and should be captured in the Roadmap as well.

private sector extensively. In this context, traditional approaches such as securitization and the role of catalytic equity in helping accelerate equity and other capital flows should be highlighted.

The role of the insurance industry in climate finance must also be explored, particularly related to systematic views of what can be done in partnership with this industry. VCEFs—with their higher risk scope—are also integral to structuring solutions for private sector mobilization. Carbon markets, provided interoperability, transparency, and credibility are ensured, can be additional powerful tools for private sector engagement. On the other end of the investment spectrum, local small- and medium-sized enterprises (SMEs) are key allies that should be given the appropriate tools and assistance to contribute to private investment in climate.

To support the COP30 Presidency's objectives, the Roadmap should explore the implementation of the Tropical Forest Forever Facility (TFFF)—a new multilateral initiative led by the Brazilian government, which could be a breakthrough in forest protection—in the menu of solutions.

ENABLING POLICIES AND REGULATORY REFORM

To crowd in the required private finance for achieving USD 1.3 trillion, appropriate enabling environments must be put in place. Reducing complexity as well as key barriers preventing capital from flowing to developing countries should be examined by the Roadmap. Developing and operationalizing sustainable finance taxonomies, integrating climate risk into prudential regulation, and adopting stronger carbon pricing frameworks can accelerate action. Adaptation finance should be mainstreamed, with nature-based solutions (NbS) positioned as fiscal resilience tools.

CROSS-CUTTING PRIORITIES FOR ACCELERATING PROGRESS

Three cross-cutting priorities emerged throughout the discussions:

- **Adopt an integrated approach:** To foster action at scale, markets need to be built. Bolstering domestic markets and sourcing local capital is key to addressing the cost of capital, as well as to reaching decarbonization, adaptation, and sustainability goals. In parallel, a strong effort is needed to demonstrate and share the investment case for climate and nature activities.
- **Build the ecosystem:** Actors and voices who are not yet at the core of the conversations need to be included, from the ecosystem of PDBs to Sovereign Wealth Funds (SWFs) and the insurance industry. Finance ministries—many of whom are shareholders in DFIs, SWFs, and PDBs—can actively shape institutional mandates to support climate goals. In addition, the Roadmap can leverage outcomes and objectives from similar forums including the Brazilian G20 Presidency outcomes, current South African G20 discussions and the Financing for Development efforts.
- **Develop the backbone of action:**
 - **Data.** Better and more timely data allows investors to differentiate between perceived and real risks. Addressing challenges around and timely access to data is key to engage a

range of actors, particularly from the private sector. Solutions include a further evolution of the Global Emerging Markets Risk Database Consortium (GEMS) database and improved access to physical risk information on time frames that are material to actors.

- **Capacity building and technical assistance:** Investment in internal capacities across institutions, from finance ministries to PDBs, is essential for the effective planning and delivery of climate investments. For example, the Roadmap could emphasize capacity building that facilitates more exchanges on country platform design and implementation, as well as boosting SSC. In this context, the Coalition of Finance Ministers for Climate Action plan to help share experiences and support country platforms' implementation and initiatives such as the Global Capacity Building Coalition to help connect and strengthen existing efforts.

THE ROAD AHEAD

Insights from the Washington, D.C. consultation may inform the drafting of the Circle of Finance Ministers Report, and subsequently the Baku-to-Belém Roadmap. Consultations for this work will continue in the coming months, including during London Climate Action Week (LCAW) in June, the Fourth International Conference on Financing for Development in Seville (FfD4) in June, and at New York Climate Week in September 2025. The finalized Roadmap will be launched at COP30 in Belém as a flagship contribution towards building a just, sustainable, and resilient financial system for climate action.

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