# COP30 POLICY BRIEF FOR CLIMATE FINANCE

## INVESTING IN A THRIVING PLANET

The Nature Conservancy

# 10 Key Recommendations to Scale Climate Finance in 2025 UNFCCC Processes

Key negotiated and non-negotiated processes taking place under the UNFCCC in 2025—such as the submission of NDCs 3.0 and NAPs, Sharm El-Sheikh Dialogue on Article 2.1(c), the Baku to Belém Roadmap to USD 1.3 trillion, consultations led by the Circle of Finance Ministers, Global Goal on Adaptation, and the COP30 Action Agenda aimed at advancing outcomes of the global stocktake (GST)—present strategic opportunities to address persistent climate finance gaps in the wake of last year's insufficient New Collective Quantified Goal (NCQG) decision. With recent estimates calling for almost USD 7.4 trillion of climate investment a year through 2030,[1] it is imperative to scale climate finance to meet, and go beyond, the NCQG goal.

The following recommendations are intended to inform and support action across this full spectrum of 2025 processes. While some may be particularly relevant to specific tracks—such as the 1.3T Roadmap, the Article 2.1(c) dialogue, or NDC updates—all are designed to help Parties **deliver coordinated, ambitious outcomes that close climate finance gaps and deliver tangible benefits for people, nature, and the climate.**

1 Climate Policy Initiative. "Global Landscape of Climate Finance 2024: Insights for COP 29." 2024.

## 1 Integrate Strong Commitments for Nature and People in NDCs 3.0 and NAPs

- The 2025 deadline for revised Nationally Determined Contributions (NDCs 3.0) and updated National Adaptation Plans (NAPs) offers a key opportunity to strengthen climate ambition. **These instruments should align with the GST's calls to phase out fossil fuels, triple renewable energy capacity, and halt deforestation,[2] while embedding nature-based solutions (NbS) and ecosystem-based approaches across both mitigation and adaptation priorities.** We encourage countries to consider this Guide for Integrating Nature into NDCs when doing so.

- Given the need for land sector emissions to reach net zero earlier than other sectors, delayed investment in NbS will weaken countries' ability to build resilience and reduce loss and damage.

- Alignment between NDCs and NBSAPs is essential to maximize synergies and minimize tradeoffs across climate and biodiversity agendas. By leveraging combined technical, institutional, and financial capacity, countries can enhance ambitious implementation of both instruments.

- Credible implementation pathways are essential. Developing countries should provide clarity on the means of implementation required to advance their climate goals. Developed countries should **signal international solidarity by earmarking increased public finance for climate action in developing countries,** particularly for underfunded priorities such as adaptation, loss and damage, and NbS. The 1.3T Roadmap offers one platform to support the scale-up of such finance.

- Encouragingly, donors such as Canada, France, Germany, Norway, and the UK have begun allocating portions of their climate finance to NbS.[3] As several countries' international climate finance cycles come to an end in 2026, it's imperative that these efforts are renewed and scaled up to meet the climate finance needs called for by developing countries by 2035.

- Plans should also clarify governance and institutional structures to facilitate implementation and include all stakeholders in their implementation. The Transition Plan Taskforce in the UK and Nature Positive Pathways provide examples of how all actors and sectors, including private actors, can support policymakers in ensuring a net zero, nature-positive, and equitable transition.

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2 Decision 1/CMA. 5, paras. 28 and 33
3 The Nature Conservancy, UK Department for Environment, Food and Rural Affairs. "Biodiversity Finance Trends." 2024.

## 2 Increase the Provision, Access, and Quality of Grant-Based and Highly Concessional Finance for Adaptation and Loss and Damage, Including Through Innovative Public Funding Sources

- The NCQG set a new collective climate finance target but failed to specify how much should be delivered as grants or highly concessional finance—raising serious concerns that support will continue to rely heavily on loans. This would deepen the debt burdens already faced by many climate-vulnerable countries.

- The NCQG called for adaptation finance to be more accessible, effective, and locally led—citing annual needs of USD 215–387 billion by 2030[4]. However, it lacked specificity on delivery mechanisms. Similarly, on loss and damage, the NCQG acknowledged the urgency of action but failed to reference the Fund for Responding to Loss and Damage or set financial targets, leaving a critical gap in implementation.

- COP30 outcomes should respond to these shortfalls. **Parties should commit to clear targets and mechanisms to increase the share of finance delivered as grants or highly concessional support—particularly for adaptation and loss and damage and expanding locally led approaches.**

- In parallel, Parties should also explore innovative sources of public finance to diversify funding beyond traditional budgets. Mechanisms under consideration by the Global Solidarity Levies Task Force— such as air passenger levies, fossil fuel windfall profit taxes, and maritime fuel fees—offer promising ways to increase the pool of non-debt finance for adaptation and loss and damage.

4 Decision 1/CMA.6, para 3.

## 3 Deliver on Past Commitments on Funding for Nature

- The NCQG decision reaffirmed the outcomes of the GST,[5] which emphasized the importance of integrated approaches—such as halting deforestation, scaling up NbS, and promoting ecosystem-based adaptation—as core components of achieving the Paris Agreement goals. These approaches must be treated as essential delivery mechanisms and funded accordingly.

- Despite multiple public pledges made over the past five years to close the nature finance gap, implementation has been limited.[6] This persistent underfunding is particularly concerning given that NbS can deliver over one-third of the cost-effective mitigation needed to stay below 2°C, while also generating vital co-benefits for adaptation, food security, local livelihoods, and biodiversity.[7]

- **COP30 should include a clear commitment to fulfill and renew outstanding pledges for NbS,** including the Congo Basin and Indigenous Peoples' and Local Communities Forest Tenure Pledges, which both expire in 2025. Commitments should both finance and outline concrete next steps to scale investment through bilateral and multilateral channels. The 1.3T Roadmap can help track and expand these investments, ensuring that NbS are positioned as central to delivering climate and development outcomes.

- These efforts should also be reflected in the COP30 Action Agenda and the report of the Finance Circle of COP30, which offer collaborative, solutions-oriented spaces to spotlight and advance NbS commitments under its thematic axes on forests, oceans, and biodiversity, and cross-cutting issues, including finance.

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5 Decision 1/CMA.6, para 2.
6 Nature4Climate. "Policy Tracker 2024: Only 33% of nature-related policies published since the Paris Agreement have allocated budgets." 2024.
7 Griscom et al. "Natural Climate Solutions." *Proceedings of the National Academy of Sciences of the United States of America 114, no. 44 (2017): 11645–11650.*

### 4 Enhance Direct Access to and Adequate Provision of Finance for Indigenous Peoples, Local Communities, and Other Frontline Communities

- The NCQG emphasized the importance of making climate finance more accessible to vulnerable populations—including Indigenous Peoples, local communities, women and girls, youth, persons with disabilities, and people in vulnerable situations[8]—but fell short of setting specific targets or mechanisms for delivery.

- COP30 should bridge this gap by committing to tailored funding pathways that expand direct access and uphold social and environmental safeguards, gender equality, human rights, and intergenerational equity. This includes strengthening readiness support, reducing administrative and procedural barriers, and scaling up proven direct access modalities—such as regranting structures, devolved finance, and locally managed funds.

- Indigenous Peoples and local communities—who steward a significant share of the world's remaining biodiversity and carbon-rich landscapes—currently receive less than 1% of international climate and nature finance.[9] Addressing this inequity is both a moral imperative and a strategic necessity, as their territories contribute to climate and biodiversity goals. As a result, **enhanced access to finance must also be accompanied by a targeted push for ensuring adequate provision of finance to nature stewards and front-line communities.**

- Examples like the Indigenous-led Podáali Fund in the Brazilian Amazon —which has successfully accessed REDD+ finance in Mato Grosso state for community-led development—demonstrate the transformative potential of finance designed with and for frontline communities. The COP30 Action Agenda can also help elevate and scale such models as part of its people-centered and nature-positive focus.

8 Decision 1/CMA.6, para. 26.
9 Rainforest Foundation Norway. "Falling Short: Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011–2020)." 2021.

## 5 Replenish and Reform Multilateral Development Banks and International Climate Funds

- The NCQG decision at COP29 called for tripling public finance through multilateral climate funds—including the Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund, Least Developed Countries Fund (LDCF), and Special Climate Change Fundv (SCCF)—by 2030.[10] It also emphasized the need to scale up capitalization of multilateral development banks (MDBs) and other international financial institutions.[11]

- **COP30 must deliver clear commitments on fund replenishments alongside governance reforms to improve agility, accessibility, and risk-sharing,** as also called for by parties at the International Conference on Financing for Development (FfD4).[12] Harmonizing access procedures across funds, expanding direct access modalities, and simplifying approval processes will be key to ensuring finance reaches those who need it most.

- MDBs, bilateral DFIs, and regional PDBs have the potential to lead on integrated climate and biodiversity action, yet despite emerging support for transformational investments across climate, biodiversity, and development agendas, current efforts remain siloed and insufficient.

- MDBs should reform both strategically—by revisiting mandates, incentives, and human capital—and operationally—by reshaping project design, processes, and instruments.[13] Institutional reforms could include joint financial programming, harmonized reporting and disbursement cycles, and targeted incentives that promote nature-climate integration within funding portfolios, whilst ensuring clear accounting to avoid double counting towards climate and biodiversity flows.

- MDBs and International Climate Funds should work as a system with National Development Banks (NDBs) to localize impact and scale up investment in NbS for adaptation and mitigation. NDBs are a critical, yet underutilized, bridge between global climate finance and local implementation. Their proximity to regional and community-level stakeholders positions them to generate locally tailored, high-quality projects and demonstrate the economic case for adaptation and resilience. In low- and middle-income countries, NDBs already provide the majority of public climate finance (22% globally).[14] Strengthening collaboration across MDBs, NDBs, and sub-national development banks is essential to unlocking greater volumes of finance and ensuring it reaches those most in need.

- **Debt relief and credit enhancement are also essential to promoting increased investment in NbS.** This includes debt forgiveness, refinancing into lower-cost, longer-maturity instruments, and the use of guarantees and political risk insurance to lower borrowing costs. The NCQG encourages international financial institutions to explore such tools and scale up non-debt instruments like guarantees and local currency financing.[15] COP30 outcomes must include clearer steps for getting here.

- Recommendations provided by the Taskforce on Credit Enhancement for Sustainability-Linked Sovereign Financing —such as expanding MDB-provided credit enhancement for sovereign borrowing, particularly through climate-linked debt conversions that reduce debt burdens while financing climate and nature outcomes; improving accounting practices to count guarantees more efficiently; the use of callable capital and Special Drawing Rights to back guarantees; integrating climate and nature into the IMF's Debt Sustainability Analyses; and the development of innovative risk-sharing mechanisms such as reinsurance and co-insurance to strengthen MDB balance sheets — should be seriously considered by Parties to ensure financial architecture reforms meet the scale and urgency of the climate and nature crises.

10 Decision 1/CMA.6, para. 13.
11 Decision 1/CMA.6, paras. 12 and 23.
12 Parties of FfD4. "Outcome document of the Fourth International Conference on Financing for Development." 2025.
13 European Think Tanks Group. "Financing the 2030 Agenda: An SDG alignment framework for Public Development Banks." 2021.
14 Climate Policy Initiative. "Global Landscape of Climate Finance: A Decade of Data." 2022.
15 Decision 1/CMA.6, para. 23.

## 6 Strengthen Coherence Between Planning and Finance for Climate, Nature, and Development

- As countries prepare their updated NDCs and participate in the Baku-to-Belém USD 1.3 trillion Roadmap and related processes—such as the Article 2.1(c) dialogue and the COP30 Finance Circle—they should **commit to aligning national planning and finance strategies across climate, biodiversity, and development priorities.** This includes conducting joint climate-nature finance needs assessments, adopting shared visions for climate-resilient development across policy and planning, instituting safeguards to avoid trade-offs, and strengthening cross-sector governance to improve coordination and delivery. Integrated planning can unlock co-benefits—such as water and food security, improved public health, energy security, and economy resilience—while expanding political and financial capacity for climate and nature outcomes and ensuring a just transition.

- **Improved classification and reporting of climate, biodiversity, and land-use finance will also be essential to ensuring coherence across agendas.** Transparent accounting can help avoid double counting, clarify synergies, and ensure that financial flows are aligned with country priorities rather than working at cross-purposes.

- The 1.3T Roadmap process and the Article 2.1(c) dialogue could play a key role in encouraging technical and financial support for countries working to implement integrated, cross-cutting approaches, as well as strengthening the transparency and tracking of finance flows across sectors and agendas.

## 7 Strengthen Domestic Regulatory Frameworks to Accelerate Delivery of Climate and Nature Goals

- While fiscal and policy reforms are essential to improve enabling environments, they must not be used as conditions for accessing international finance. **All countries—based on their national contexts—should be encouraged to strengthen regulatory frameworks that support climate and nature goals.** This includes introducing carbon pricing mechanisms, phasing out subsidies with a negative environmental impact, enabling greater deployment of nature-related insurance, and aligning public spending with low-emission, nature-positive development. Industrialized countries can provide technical assistance to support these efforts, such as the EU's Task Force for International Carbon Pricing and Markets Diplomacy.

- The 1.3T Roadmap process and the Article 2.1(c) dialogue offer opportunities for countries to signal intent to pursue such reforms. Doing so can enhance the credibility of climate strategies, build investor confidence, and help catalyze support.

- Recent examples—such as the EU's Deforestation Regulation, Morocco's reallocation of fossil fuel subsidies to renewable energy investment, and the Brazilian state of Pará's move to mandate statewide cattle traceability—illustrate how targeted regulation can improve supply chain transparency and create incentives for sustainable practices. With the right support, such policies can help both large companies and small and medium enterprises (SMEs) transition to deforestation-free, climate-aligned value chains.

### 8 Create or Strengthen National Coordination Mechanisms to Mobilize Nature-Positive Climate Finance

- **To unlock the scale of finance needed for climate and nature goals, countries should strengthen national platforms and coordination mechanisms—**such as country-led investment plans—that align climate, nature, and development priorities and translate them into pipelines of bankable projects. These platforms play a critical role in fostering cross-sector coordination, clarifying national priorities, supporting subnational planning efforts, and connecting investment opportunities to public and private finance.

- The 1.3T Roadmap can help prioritize and elevate the importance of such structures by highlighting the role of institutional capacity and project preparation in mobilizing blended finance—especially in underfunded areas like adaptation and nature-based solutions.

- Examples like Egypt's Nexus for Water, Food and Energy (NWFE), the Brazil Climate and Ecological Transformation Investment Platform (BIP), and the Bangladesh Climate and Development Platform (BCPD) demonstrate how national platforms can attract concessional finance and channel investment toward integrated climate and nature outcomes. These models should be promoted as catalytic approaches under the COP30 Action Agenda and recognized within the 1.3T Roadmap process as scalable pathways for finance mobilization.

### 9 Leverage Blended Finance and Guarantees to Mobilize Private Investment at Scale

- Mobilizing private finance for climate and nature, particularly in underfunded areas like adaptation and nature-based solutions, will require significantly greater use of blended finance and risk-sharing tools. **Public and philanthropic capital can play a catalytic role by providing guarantees, concessional capital, and political risk insurance to de-risk investments and crowd in commercial finance.**

- The 1.3T Roadmap process should promote these mechanisms as essential complements to public finance. Parties should also signal support for expanding credit enhancement instruments—including those used in debt-for-nature and debt-for-climate swaps, as referenced in Recommendation 5.

- Despite growing investment spurred by the pledge to halt and reverse deforestation, finance for standing forests remains severely underfunded. The Tropical Forest Forever Facility (TFFF) model leverages innovations in blended finance to provide vital complementary financing to tropical forest countries and nature stewards, rewarding them for keeping their forests standing and the climate services provided to the rest of the world.

- A growing body of real-world examples demonstrates how these tools can drive results at scale. Debt conversions in Ecuador and Gabon have reduced debt burdens while delivering climate and conservation outcomes. Other models—such as Blue Carbon Resilience Credits, results-based REDD+ payments, and nature-positive insurance products— are proving effective in channeling private finance toward climate-nature priorities.

## 10 Advance High-Integrity Carbon Markets Aligned with Science and Equity

- **Carbon markets—including Article 6 of the Paris Agreement, domestic compliance markets, and voluntary mechanisms—have the potential to unlock significant finance for developing countries.** But this can only happen if they are grounded in environmental and social integrity, rights-based approaches, and strong governance.
- With most technical elements of Article 6 finalized at COP29, COP30 represents a critical opportunity to **move from market design to implementation.** Parties should commit to operationalizing Article 6 with transparency, equity, and scientific integrity—ensuring markets are one of the available sources of finance for developing countries.
- High-integrity markets must rely on methodologies that ensure credits are real, additional, and verifiable; support scalable, programmatic approaches aligned with NDC implementation; and generate meaningful finance for quality credits.
- Tools such as dynamic baselines and initiatives like the Integrity Council for the Voluntary Carbon Market (IC-VCM), could be integrated into broader market infrastructure to help meet these standards. Capacity-building and governance support will also be essential—particularly for countries aiming to access carbon markets in ways that uphold equity and deliver tangible climate and nature benefits.

### Spotlight on Implementation: Delivering Finance for Climate, People and Nature

The Nature Conservancy's updated Climate Finance Playbook highlights real-world examples of how countries are deploying financial tools to unlock investment, scale nature-based solutions, and ensure finance reaches those most impacted by climate change. These implementation models reflect the spirit of Mutirão—collective action and shared responsibility—that Brazil has championed in its vision for COP30. From Indigenous-led funds in the Amazon to sovereign debt conversions and blended finance for nature, these efforts demonstrate what is possible when governments, communities, and partners work together to translate commitments into action. **Explore the Playbook here.**