



To the COP30 Presidency

Cc: HLC Dan Ioschpe and Nigar Aparai, Action Agenda Secretariat

Dear COP30 President and CEO,

This is a direct call to elevate Small and Medium Enterprises (SMEs) from the sidelines of climate finance to the core of the COP30 agenda, both in the negotiation rooms and across the Action Agenda, to highlight a real opportunity for impact.

Why? Because SMEs are not a niche. They are the connective tissue of climate resilience and low-carbon development across the Global South. They drive innovation in distributed energy, agroecology, sustainable mobility, and circular economy models.

This message was made clear at the Global Climate Finance Forum (GCFF) in Montego Bay in April 2025. Over 50 investors, entrepreneurs, and policymakers from across Africa, Asia, Latin America, and the Caribbean came together to celebrate that climate SMEs are demonstrating viable, scalable models that deliver impact. And also, to expose a persistent misalignment: while climate innovation is flourishing at the SME level, the majority of finance continues to be wired for large, risk-averse, and distant investments. In short, the system is not calibrated to support those delivering results on the ground.

GCFF believes that COP30 presents a huge opportunity. By advancing a mandate for SME finance, the COP30 Presidency can help transform and steer climate finance from the top down and from the ground up. How? Below, we outline three targeted actions that fall within your leadership mandate:

1. Embed SME finance in the core of the Baku–Belém Roadmap to 1.3 trillion by 2035

Today, less than 15 cents of every climate finance dollar crosses a national border, and only 12% of mitigation finance reaches emerging markets beyond China. This systemic failure is compounded by financing conditions and high costs of capital that are outright prohibitive: entrepreneurs in countries like Nigeria face interest rates of 27%, and currency fluctuations of over 300% in just a few years. The result is a distorted system that favors large-scale projects and legacy actors, while starving the innovation that is actually working.

We urge the COP30 Presidency to ensure that the final **Roadmap** includes:

- a) A clear, time-bound commitment to track and increase the volume of climate finance devolved to SMEs in low and middle-income countries. This should include identifying SME-aligned delivery vehicles and prioritising blended finance, catalytic capital, and guarantee structures that unlock early-stage and locally embedded innovation.
- b) A specific performance indicator to track the share of climate finance flowing to SMEs, either directly or via SME-aligned intermediaries.
- c) A practical instrument tailored to the SME reality (such as results-based finance, revenue-backed contracts, portfolio guarantees, and regional blended finance platforms). These tools are essential to make the \$1.3 trillion goal accessible to smaller actors with scalable climate impact.

2. Strengthen local financial ecosystems through your convening role

We ask the COP30 Presidency to actively promote the role of local financial actors, such as public development banks, commercial banks and credit unions, asset managers, impact investors, cooperatives, and community-managed funds, through the **Circle of Finance Ministers**, MDBs, climate funds and country platform dialogues. These institutions are better positioned to understand SME realities and align finance with regional contexts.

To build local climate finance capacity, governments and private investors should incentivize the growth of asset managers specialized in climate investments through targeted capacity-building efforts and co-investment models. We call on the **Climate Champions** to establish a dedicated track on climate SMEs within the COP30 Action Agenda. This should include the formal organization of an SME Climate Solutions Forum in Belém, featuring a curated showcase of investable, high-impact enterprises from across the Global South.

We also encourage the COP30 Presidency to ensure coherence between the Circle of Finance Ministers and the Climate Champions' campaigns, including "[Climate-Proofing SMEs](#)." Coordination between negotiation and mobilization tracks is essential to elevate SMEs as legitimate, scalable actors across the full ecosystem of climate response.

3. Use the narrative power of the COP to shift perceptions on risk and scale

SMEs are too often seen as high-risk and low-return, but this framing fails to capture the reality. The risk is not uniform and it is often overstated. As GCFF participants demonstrated, from agroforestry hubs in Bahia to solar distribution in Zambia and EV battery repurposing in India, there is no shortage of investable models. What remains in short supply is storytelling that reflects their viability, track record, and systemic relevance. COP30 can help shift this narrative.

We suggest the COP30 Presidency and Climate Champions lead a coordinated storytelling effort, featuring climate SMEs in flagship events, communications products, and leadership dialogues.

In summary, we believe that COP30 offers a critical opportunity to unlock climate finance where it matters most. By placing SMEs at the heart of this transformation, the Presidency can help rewire the system from the top down and the bottom up.

GCFF members call for the COP30 Presidency to consider and integrate these recommendations and elevate Global South SMEs driving innovation and impact as a vital but overlooked part of the solution to combating climate change. GCFF also welcomes enquiries and offers of collaboration. These can be directed to the Secretariat at info@globalclimatefinanceforum.com.

Respectfully,

GCFF Secretariat