Leaders’ Framework Declaration on Climate Finance

We, BRICS Leaders, met in Rio de Janeiro, on July 7th 2025, determined to lead a global mobilization for a fairer and more effective International Monetary and Financial System to enhance climate finance. We commit to leveraging our economic strength and innovation capacity to demonstrate that ambitious climate action can advance prosperity and a better future for everyone.

2. We stress our commitment to uphold and revitalize multilateralism as necessary to address challenges threatening our shared planet and future such as climate change and reaffirm our commitment to multilateralism and international cooperation towards low-greenhouse gas (GHG) emissions and climate-resilient development, in the context of eradication of poverty and sustainable development.

3. We stress the role of the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement as the main channel for international cooperation on addressing climate change, taking note of the occasion of the 10th anniversary of the Paris Agreement’s adoption, which charted the course for the world to transition to low-greenhouse gas emissions, climate-resilient development and has driven near-universal climate action.

4. We reaffirm our steadfast commitment to the full and effective implementation of the UNFCCC and its Paris Agreement, guided by the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. We emphasize that climate change is one of the greatest challenges of our time and that its impacts are already being felt in every region across the globe and acknowledge that the global nature of climate change calls for the widest possible cooperation.

5. We resolve to remain united in the pursuit of the purpose and goals of the Paris Agreement and the objectives of the UNFCCC and call on all countries to uphold their existing commitment as Parties to the UNFCCC and its Paris Agreement and to maintain and scale up their effort to combat climate change. We reaffirm the importance of promoting an enabling international environment that supports timely climate action. Recognizing that mitigation efforts embedded within the wider development context can increase the pace, depth and breadth of GHG

emissions reductions, we reiterate our commitment to accelerate action towards the Paris Agreement's temperature goal, on the basis of equity and in the context of sustainable development and efforts to eradicate poverty, in a nationally determined manner as provided in article 4 of the Paris Agreement. We express serious concern over pre-2020 gaps in both mitigation ambition and implementation by developed countries. We urge developed countries to urgently close pre-2020 mitigation gaps, to revisit and strengthen the 2030 targets in their Nationally Determined Contributions (NDCs), and to achieve net-zero GHG emissions significantly ahead of 2050, preferably by 2030, and net-negative GHG emissions immediately thereafter.

6. We note the findings of the IPCC's Sixth Assessment Report regarding the urgency of climate action, while emphasizing the critical role of finance, technology, capacity building and international cooperation as enablers for accelerated climate action in developing countries. We note that achieving global climate goals, which includes long term temperature limits, adaptation and finance goals, requires manifold increases in both adaptation and mitigation finance. While global capital exists to close investment gaps, persistent barriers disproportionately affect developing countries' access to affordable finance.

7. We underscore that the provision and mobilization of resources under the UNFCCC and its Paris Agreement is a responsibility of developed countries towards developing countries. We also emphasize that support received by developing countries should be in line with the ambition of their climate action. We urge developed countries to fulfill their obligations of providing finance to developing countries and to provide climate finance that is new and additional, grants-based, distinct from Official Development Assistance (ODA) and that does not come at the expense of assistance for other development needs, including poverty eradication. We also call upon these countries to fully deliver on their commitments, under the UNFCCC and its Paris Agreement, in a timely and transparent manner, with clear plans, strategies and timelines, to achieve the finance goal of USD 300 billion per year by 2035 for developing countries, while also fulfilling their prior goal of mobilizing jointly USD 100 billion per year through 2025 to address the needs of developing countries.

8. We emphasize that ensuring accessible, timely and concessional climate finance is critical for facilitating just transitions, based on nationally defined development priorities, that combine climate action with sustainable development. We underscore the opportunities for the Global South embedded in

new cycles of sustainable economic growth and transformation towards low GHG emissions and climate-resilient development pathways consistent with securing the quality of life of all future generations, leaving no one behind, according to national circumstances and priorities. Overcoming current financing gaps in developing countries will significantly bolster our collective capacity to fulfill the Paris Agreement objectives in tandem with the Agenda 2030 for Sustainable Development (Agenda 2030) and its Sustainable Development Goals (SDGs).

9. We reiterate the call in Paragraph 82 of the XVI BRICS Summit Kazan Declaration for "allocating adequate, predictable and accessible finance from developed to developing countries for the just energy transitions, in line with the principles of CBDR-RC, stressing that new industrial development models associated with energy transitions would require enormous investments in existing and new infrastructure", while acknowledging that focused mechanisms for financing can accelerate just and inclusive transitions, based on nationally defined development priorities, towards a low-greenhouse gas emissions and climate-resilient economy. We also recognize that transition finance strategies aligned with national needs and circumstances can play an important role in supporting global efforts against climate change and we take note of the work of the BRICS Business Council to promote a Transition Finance Framework.

10. We emphasize that although developing countries have contributed to a lesser extent to climate change, populations in these countries are the most vulnerable to its adverse impacts and the lesser equipped, including in terms of relevant infrastructure, to withstand its effects. Therefore, we highlight the need to increase the share of financing for adaptation, particularly public finance, taking into account that financial support needed for enhancing adaptation actions, increasing resilience and capacity building globally, especially public funding provided by developed countries, is insufficient, and financial flows for adaptation and mitigation are imbalanced. We stress that this imbalance has a disproportionate negative effect on developing countries and particularly on the segments of the population that are most vulnerable to climate change impacts. We therefore call on developed countries to increase multifold their collective provision of climate finance for adaptation and for closing adaptation gaps, including at least doubling the levels of adaptation finance provided from 2019 levels by 2025. We emphasize that adaptation finance must be primarily concessional, grant-based and accessible to local communities and should not substantially increase debt burdens on developing economies, while ensuring

predictability, adequacy and direct access modalities that facilitate implementation of context-appropriate solutions aligned with national adaptation plans and priorities.

11. We note that substantial gaps remain in fulfilling the financing needs identified by developing countries. In this context, we look forward to the “Baku to Belém Roadmap to 1.3T” aiming at scaling up climate finance to developing countries. We also commend South Africa’s leadership and dedication to addressing climate finance under its G20 presidency.

12. We reaffirm our commitment to reforming the global financial architecture to address the specific needs of developing countries, including channeling the volumes of finance that developing economies urgently require for climate action. These reforms are essential to ease constraints on domestic fiscal space faced by developing countries, compounded by multivariable challenges, such as external economic volatility; structural limitations in the current financial system; and escalating costs required for adaptation, as well as for recovery from losses and damage inflicted by extreme weather events. We further commit to strengthening our coordination within BRICS to advocate for structural change in the financial landscape as per national circumstances, supporting progress toward climate and sustainable development goals. We underscore the importance of achieving progress in making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, in the context of sustainable development and efforts to eradicate poverty.

13. We invite international financial institutions, including multilateral development banks as appropriate, to continue to align their operational models, channels and instruments to be fit for purpose for urgently addressing global climate change, development and poverty, in accordance with their mandates and in line with the direction of their governing bodies. We reiterate the Johannesburg II call on the shareholders of these institutions to take decisive action to scale-up climate finance and investments in support towards achieving the SDGs related to climate change and make their institutional arrangements fit for purpose.

14. We support the implementation of the G20 Roadmap towards Better, Bigger and More Effective MDBs, which presents comprehensive recommendations and actions for MDBs to evolve their visions, incentive structures, operational approaches and financial capacities, so that they are better equipped to maximize their impact in addressing a wide range of global and regional challenges,

including to address climate change while accelerating progress towards the SDGs, in an integrated approach to the three dimensions of sustainable development. While respecting each MDB’s mandate, governance structure and financial stability, we also reinforce the need to enhance MDBs’ collaboration with vertical environmental and climate funds (VECFs), and with national and subnational development banks to coordinate in financing climate action and projects and programs aligned with the purpose of the Paris Agreement and Agenda 2030, as well as with country's needs and priorities. National development banks and public development banks, with their alignment to country policies, local knowledge depth and local currency finance capacity, are pivotal in this endeavour, ensuring that climate finance is effectively deployed to address local challenges and opportunities.

15. We call for a significant increase of public resources provided by developed countries through the operating entities of the UNFCCC Financial Mechanism, including the Green Climate Fund (GCF), the Global Environment Facility (GEF), the Adaptation Fund and the Fund for Responding to Loss and Damage (FRLD), the Least Developed Countries Fund and the Special Climate Change Fund and for pursuing efforts to at least triple annual outflows from those Funds from 2022 levels by 2030 at the latest with a view to significantly scaling up the share of finance delivered through them. We urge developed countries to scale up their support from public resources to enhance the new round of replenishment of the GCF. We note the importance of implementing the recommendations of the Independent High-Level Expert Group (IHLEG) under the G20 Sustainable Finance Working Group, optimizing the operations of VECFs, the GCF, the GEF, the Adaptation Fund (AF), the Climate Investment Funds (CIFs). Their implementation may ensure greater accessibility for developing countries to resources by targeting and pooling multilateral catalytic finance. The disbursements from these funds remain significantly below the concessional finance needed globally, limiting the implementation of critical adaptation and mitigation projects. We recognize that the measures proposed in the G20 IHLEG Action Plan, including streamlining processes and reducing transaction costs, shall be crucial to ensuring that affordable financial resources are channeled efficiently and predictably to the countries that need them most. We encourage coordinated efforts, on a voluntary basis, to strengthen their integration with national climate finance platforms, ensuring greater alignment with the climate and sustainable development priorities and strategies of beneficiary countries.

16. We welcome and support the New Development Bank's (NDB) expanded focus on climate finance, noting its commitment to direct 40% of financing to climate projects by 2026 and to issue sustainable bonds in multiple currencies.

17. We underline the importance of a strategic realignment of the role of the private sector in addressing climate change, enhancing its capacity to complement public finance and foster scaled-up and massive mobilization from a wide variety of sources, spurring virtuous cycles of sustainable economic growth and transformation towards low-greenhouse gas emissions and climate-resilient development pathways consistent with securing the quality of life of all future generations, leaving no one behind, according to national circumstances and priorities. While domestic resource mobilization has been one of the crucial components for sustainable growth cycles and while progress has been made in this regard, a significant increase in international public and concessional financing, particularly grants-based and highly concessional finance from developed countries, is key to mobilizing private capital at scale. Innovative financial instruments that hold potential to support climate and sustainable development goals include a host of de-risking, risk-sharing and catalytic instruments and financing structures, such as blended finance, guarantees, insurance coverage, relevant thematic bonds, foreign exchange risk mitigation, as well as regulatory frameworks, policy initiatives and incentives, such as country platforms and financial taxonomies, as appropriate. Transparency can also play a role in supporting efforts to mobilize private capital. We note that transition finance strategies aligned with national needs and circumstances hold potential to accelerate emissions reductions, particularly in hard-to-abate sectors.

18. We underscore the continued importance of capacity-building efforts that enable developing countries to absorb and effectively deploy finance in their tailored just transition pathways, based on nationally defined development priorities.

19. We acknowledge Article 6 of the Paris Agreement as an important instrument for fostering higher ambition in mitigation actions and to promote sustainable development and environmental integrity, by offering pathways to steer private and public investment towards climate efforts. By strengthening these mechanisms, we can catalyze private sector engagement, encourage technology transfer and complement public finance flows. We note the provisions of the Memorandum of Understanding on the BRICS Carbon Markets Partnership and its value for promoting cooperation in the field of carbon markets, with a specific

focus on capacity building and exchange of experiences. We look forward to its implementation as a cooperative approach to support members in their climate strategies, including in complementing mitigation efforts and mobilizing needed resources.

20. We support strong, country-led national transition planning that underpins the ambition and implementation of our respective Nationally Determined Contributions (NDCs), which are and will remain the main vehicle for communicating our countries' efforts to address climate change. We also support the voluntary use of country platforms based on strong country ownership, flexible and well adapted to national circumstances, as one tool to facilitate availability of public and private resources required for the implementation of mitigation, adaptation and resilience-building policies and roadmaps by grounding them in concrete investment plans, to accelerate action during this critical decade and beyond and to contribute to the achievement of Agenda 2030 and its SDGs and the UNFCCC and its Paris Agreement.

21. We commend the progress of BRICS members in developing national financial taxonomies and standards that aim to define the scope of activities and projects supporting climate and sustainable development goals, recognizing their role in guiding investment towards such activities and projects, enhancing market transparency and funding efforts against climate change. By providing and verifying criteria reflecting national regulatory approaches and circumstances, frameworks combining taxonomies and standards can build investor trust and enhance the use of related financial instruments. We recognize the potential for cooperation on a voluntary basis in these areas, while acknowledging that national approaches may reflect each country's unique context.

22. We recognize the continued growth across BRICS members in bond issuance with the aim of supporting climate and sustainable development goals, also noting the New Development Bank's successful green bond offerings since 2016, which complement broader efforts to expand local currency sustainable bond markets. We commend the rising cross-investment by BRICS members in each other's sustainable bond issuances, reflecting growing synergy in mobilizing finance for climate action in our countries. We commit to further strengthening our sustainable bonds ecosystems, in line with national contexts and priorities, and to exploring additional collaborative opportunities in the future.

23. We recognize blended finance's potential to mobilize private capital and increase the catalytic role of public funds while acknowledging the need for careful structuring to ensure that projects and instruments are effective, bankable, provide additionality and are aligned with climate and sustainable development priorities, as well as to avoid exacerbating public debt and high risks for financial stability or creating market distortions. We support innovative approaches such as guarantees, de-risking and risk-sharing instruments, first-loss facilities, local-currency lending and hedging mechanisms to increase the leverage ratio of mobilized private capital to deployed public funds, while accounting for country specific circumstances, approaches and pathways. We note the BRICS Task Force's work on Infrastructure Blended Finance and its Technical Report. We also recognize the Interbank Cooperation Mechanism's efforts in risk-sharing solutions. We highlight that the Tropical Forests Forever Facility (TFFF), proposed to be launched at COP30, has the potential to be a promising blended finance instrument to generate a predictable and long-term funding stream to finance the conservation of standing forests**.**

24. We note that existing credit rating methodologies lack transparency and may not adequately estimate risk premiums for projects in developing countries, especially those that are particularly vulnerable to the adverse effects of climate change, as well as for MDBs. We call for enhanced dialogue with all stakeholders to review credit rating methodologies and project-level assessments, with a view to ensuring increased transparency, consistency, accuracy and reliability, reflecting specific national contexts and project characteristics. These measures will help direct capital to the areas most in need of finance, such as adaptation projects.

25. We acknowledge that the cost of hedging foreign exchange (FX) risks poses a significant challenge to cross-border investments in developing countries, especially in projects with primarily local currency revenues. We further acknowledge that FX liquidity facilities have been deployed successfully to reduce the cost of FX hedging, attract private investment and ensure the financial viability and affordability of projects. We encourage the NDB, as well as other MDBs, to increase the use of local currencies in all member countries through appropriate mechanisms. We also welcome continued bank collaboration under the BRICS Interbank Cooperation Mechanism to lower cross-border financing costs for climate projects.

26. We note ongoing initiatives among BRICS national development banks to increase their climate focus by scaling up sustainable lending windows, offering preferential terms for low-GHG emission sectors, adaptation, initiatives and projects aimed at climate and sustainable development goals and co-financing cross-border climate ventures. We commend the BRICS Interbank Cooperation Mechanism and other shared platforms for helping pool technical expertise and financial resources. Going forward, we encourage the NDB, as appropriate to its governance framework, and national development banks to intensify and consider additional avenues for their collaboration, through friendly consultations based on market-oriented principles, such as co-managed thematic funds, innovative instruments, blended finance mechanisms, local-currency co-financing arrangements and joint project-preparation facilities.

27. We recognize the steady work of prudential authorities in BRICS members through national regulatory frameworks and other approaches for assessing climate-related risks for financial institutions, including physical and transition risks, contributing to the core objective of safeguarding the stability and resilience of our financial systems in the face of climate change. We note that climate stress tests and scenario analysis exercises have been deployed in BRICS jurisdictions. Such approaches are useful forward-looking tools for enhancing the understanding of risks and assessing financial institutions´ exposure to climate-related risks, with a view to ensuring the safety, soundness and resilience of financial systems. We highlight the value of a sharing of experiences to improve mutual understanding of the existing definitions, methodologies and toolkits to assess and manage climate-related risks, aiming at identifying and evaluating further avenues for cooperation.

28. We condemn and reject unilateral, punitive and discriminatory protectionist measures that are not in line with international law, under the pretext of environmental concerns, such as unilateral and discriminatory carbon border adjustment mechanisms (CBAMs), due diligence requirements with detrimental impacts on global efforts to halt and reverse deforestation, taxes and other measures and reconfirm our full support for the implementation of Article 3(5) of the UNFCCC and of the call in COP28 related to the avoidance of unilateral trade measures based on climate or environment. We also oppose unilateral protectionist measures which deliberately disrupt the global supply and production chains and distort competition. We express concern that such measures, as well as unilateral economic and financial sanctions, may undermine

BRICS countries' capacities to invest in their own just transitions and development priorities and risk diverting away critical resources at a time when developing countries face a financial gap to pursue climate action and sustainable development. We emphasize the importance of non-discriminatory access to trade and to climate finance for all countries and the need to address existing barriers.

29. Recognizing the need for enhanced cooperation on scaling-up resources for climate action, in line with the principles of the UNFCCC and its Paris Agreement, we hereby agree on the BRICS Cooperation Framework for Enhancing Financing for Climate Action, set out in the Annex Declaration, to be pursued by our relevant ministerial or vice-ministerial level authorities, including as appropriate Central Bank authorities, with a view to leveraging our collective strength to accelerate climate action while supporting just transitions, based on nationally defined development priorities, that prioritize poverty eradication and sustainable development. Work under each priority of the Framework shall be carried out building on technical-level discussions and taking into account each member's national context. We further request the aforementioned authorities, as well as Central Bank authorities as appropriate, to inform the BRICS Summit on the progress achieved under any priority when applicable, considering the priorities of each Chairship, for consideration and further guidance. We shall undertake a review of the BRICS Cooperation Framework for Enhancing Financing for Climate Action every five years.

30. We express our full support for South Africa's G20 Presidency and Brazil's incoming COP30 Presidency. We commit to working constructively to ensure these presidencies deliver concrete progress toward a more equitable and effective finance system that enhances access to affordable resources for climate action.

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Annex – BRICS Cooperation Framework for Enhancing Financing for Climate Action

BRICS Leaders emphasize that the United Nations Framework Convention on Climate Change and its Paris Agreement shall be fully and effectively implemented, in a balanced manner, adhering to equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, while urging developed countries to fulfill their obligations by increasing finance to support climate action in developing countries, commensurate with their needs.

While acknowledging that national approaches may reflect each country's unique context, BRICS Leaders recognize the potential for cooperation, in the following areas, in a country-led and voluntary manner:

(a) Exchanging information on national transition programs to map current practices, distill lessons learned and identify areas for collaborative initiatives on a voluntary basis for developing climate projects to attract international finance and investments aligned with countries' needs and priorities for climate action. In this regard, voluntary country-led and country-owned platforms could be one of such initiatives.

(b) Increasing mutual knowledge and exchanging experiences and best practices on mobilizing finance to build resilience and adapt to climate impacts, including if provided for and where applicable through ecosystem-based approaches and community-led initiatives, ensuring alignment with infrastructure development, improved service delivery and the promotion of sustainable development.

(c) Sharing experiences on developing standards and taxonomies, with a view to compile a catalogue of national frameworks to enable identifying, where possible, areas of convergence in approaches supporting different national contexts, as well as evaluating the feasibility of promoting the interoperability of different approaches, where appropriate.

(d) Sharing experiences on verification and reporting standards for sustainable finance instruments, with a view to compile a catalogue of national frameworks to enable identifying, where possible, areas of convergence to explore potential avenues for cooperation.

(e) Exchanging experiences among central banks and supervisors' about climate-related risk frameworks and approaches, aiming to enhance understanding of the scale and nature of climate-related risks further exchanging experiences to explore the integration of climate stress tests into prudential practices to ensure the safety, soundness, and resilience of banks and other financial institutions, including the manner in which adaptation and resilience measures are being taken into account in risk assessment.

(f) Disseminating experiences on issuing sustainability bonds and related instruments, including exploring further cooperation.

(g) Exchange of information and experiences on blended finance solutions for climate, including pooled guarantees, affordable insurance coverage, coordinated FX hedging facilities and cross-border project co-financing.

(h) Discussing the gaps in developed countries fulfillments of climate finance obligations and relevant negative impacts, and jointly urging developed countries to fulfill their obligations of providing finance to developing countries that is new and additional, grant-based, distinct from official development assistance and that does not come at the expense of assistance for other development needs, including poverty eradication.

(i) Drawing on existing national experiences involving transition finance approaches, including the development and use of related frameworks, to increase mutual knowledge and encourage collaboration.

(j) Drawing on the experiences of the BRICS Interbank Cooperation Mechanism, assessing further action to foster synergies between existing national development banks, as well as with the New Development Bank (NDB) on voluntary and country-led basis, including by piloting, as appropriate and where required, local-currency co-financing windows, joint project-preparation facilities and knowledge-sharing on thematic funds may be explored in a manner aligned with national development bank mandates.

(k) Exchanging information on national initiatives related to carbon pricing and carbon markets, including lessons learned, fulfilling the potential of the BRICS Carbon Markets Partnership as a platform dedicated to sharing knowledge, experiences and case studies of developing carbon markets and discussing the potential intra-BRICS cooperation on carbon markets to exchange views on potential cooperation under Article 6 of the Paris Agreement among the BRICS countries.

(l) Assessing the impacts and legal tenability of "unilateral, punitive and discriminatory protectionist measures, that are not in line with international law, under the pretext of environmental concerns" as provided for under paragraph 28 of the Declaration, and exploring dialogue on inclusive collective approaches with a view to promoting an enabling international environment that supports timely climate action.

(m) Identifying and promoting shared positions on reforming the International Monetary and Financial System—particularly in support of reforming multilateral development banks—to improve its capacity in enhancing financing for climate action and to reinforce its alignment with sustainable development objectives.

(n) Hosting, as appropriate, a dialogue on enhancing financing for climate action with other Global South partners to cooperate on policy discussions, exchange best practices, foster inter-regional collaboration, and identify common positions where relevant.

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