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Major Global Financial Coalition Unites on Transformative Climate Finance Agenda at COP29

Baku, Azerbaijan – 14 November 2024 – As global leaders convene for COP29, a landmark global coalition of financial organisations and initiatives—including the International Development Finance Club (IDFC), UNEP Finance Initiative (UNEP FI), the Principles for Responsible Investments (PRI) network, and the Mainstreaming Climate in Financial Institutions initiative—today released a unified set of recommendations for the post-2025 climate finance framework.

This effort is truly global, backed by groups and initiatives that collectively bring together over 5000 financial institutions with nearly USD 200 trillion in assets, spanning developed and developing countries and bridging both public and private sectors. This coalition aims to support a breakthrough in the NCQG (New Collective Quantified Goal) negotiations at COP29 and lay the groundwork for an urgent overhaul of climate finance, commensurate with the scale and scope of the crisis.

The coalition's recommendations reflect a shared commitment to addressing unserved climate priorities and re-directing financial flows, while underscoring the critical need for holistic and transformative approaches to achieve global climate goals. Rooted in both country contexts and the Paris Agreement, the recommendations advocate for a much more strategic and effective mobilisation of both public and private capital to drive climate mitigation, adaptation, and resilience, particularly focusing on the needs of developing nations.

"We are pleased to bring these insights forward at COP29, urging Government delegations assembled here in Baku to establish an ambitious post-2025 finance framework that will mobilise financial flows on a global scale," **said Eric Usher, Head of UNEP FI.** "This unique coalition, representing both public and private finance from across the globe, stands ready to support these efforts, providing essential resources and collaborative leadership to drive climate action."

"Today, for the first time, more than 40% of the global financial sector is joining forces in a whole-of-system approach to define transformational finance as the bridge between Climate and Paris-aligned finance, to turn policies and institutions towards SDGs. And to build a collaborative global financial architecture, with the Finance in Common system as its backbone, able to unlock and implement more ambition. We particularly thank colleagues from the private sector for their support," **said Rémy Rioux, CEO of AFD, Vice-Chair of IDFC and Chair of Finance in Common**.

David Atkin, CEO at the Principles for Responsible Investment commented: "We invite more financial actors to engage with this transformative climate finance agenda. This is a defining moment for climate finance, and a united approach will be essential to unlocking finance to meet the targets set by the Paris Agreement."

Claire Eschalier, Head of the Secretariat of Mainstreaming Climate in Financial Institutions added that: "Aligning all financial flows with low-emission and resilient development pathways is the ultimate goal we are collectively chasing. Defining and characterising all the finance that contributes to this deep, whole-of-system change is therefore critical."

The coalition will continue discussions with UNFCCC negotiators and other stakeholders throughout COP29 and beyond, providing actionable recommendations to enhance the global climate finance framework.

Editor's Notes

The coalition's key recommendations refer to:

- Addressing climate mitigation, adaptation and loss and damage priorities, by substantially increasing financial volumes targeting them; avoiding action with negative climate effects, by fostering the alignment of financial flows with countries' low-carbon and resilient development pathways and the goals of the Paris Agreement; acting at a systemic level for whole-of-economy shifts, beyond specific projects and investments' direct impacts, by fostering finance that is effective in enabling or enhancing positive transformations.
- A more strategic, collaborative and qualitative use of public finance, contributing to the mobilization and reorientation of public and private financial flows towards climate action.
- The particular role all Public Development Banks –from multilateral to regional, international, national and sub-national– can play to help move from transaction-level impacts to more systemic, cross-sectoral, whole-of-society effects.
- The importance of system-wide coherent frameworks to guide action, and the characterization of "Transformational finance for climate", i.e. finance aiming at the sustainable transformation of entire systems or catalytic effects on mobilizing and reorienting larger financial flows. This implies, among others, acting on systemic levers and making, in a structural manner, Paris-aligned investments more financially attractive than non-aligned or misaligned investments.

About the coalition

The International Development Finance Club (IDFC), the leading group of 27 national and regional Public Development Banks (PDBs) from all over the world, representing the largest provider of public development and climate finance globally, with US$ 4 trillion in combined assets and annual commitments above US$ 800 billion, including an average of more than US$ 200 billion per year of climate finance.

Mainstreaming Climate in Financial Institutions initiative, a coalition of 55 public and private financial institutions from around the globe, aiming to systematically integrate climate change considerations across their strategies, programs, and operations.

Principles for Responsible Investment (PRI), the world's leading independent proponent of responsible investment, representing the largest international network of investors with over 5,000 signatories and over US$ 121 trillion in assets under management.

UNEP Finance Initiative (UNEP FI), with a membership of more than 500 largely private sector financial institutions, from developed and developing countries worldwide, representing more than US$ 170 trillion in financial assets, including over 45% of global banking assets.

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