

Concept Note
Cross-cutting roundtable: Climate-Action and Finance

Mobilizing climate-aligned investment

UNFCCC COP 24
Katowice, Poland

Marrakech Partnership for Global Climate Action

Saturday, 8 December 2018
13:15 – 14:45

High-Level Champions

Support organisations - Asia Investor Group on Climate Change, CDP, Ceres, Investor Group on Climate Change, Institutional Investors Group on Climate Change, Principles for Responsible Investment and UNEP Finance Initiative, International Finance Corporation, Aviva & S&P Global



MPGCA Finance: Mobilizing climate-aligned investment

Description

The institutional investment and banking sectors are essential for the success of the Paris Agreement by ensuring that investment and finance flows are consistent with low-emissions resilient development. How can sectoral opportunities in NDCs for climate aligned investment and finance be realised?.

Overall Narrative

In recognition of the long-term goal outlined in Article 2.1c, of the Paris Agreement, investors¹ as organisations that invest on behalf of their members and banks as lenders of first call contribute to ensure a pathway towards low GHG emissions and climate-resilient development. Investors and banks are increasingly recognising that meeting climate goals is both responsible for mankind and essential for safeguarding their holdings and in turn are transforming their business models as well as their asset ownership and management mentalities, practices and technologies.

But they also recognize more can be done to embed climate change considerations within their institutions, through investment across geographies over long-term horizons in all economic sectors including increasing the ability to adapt to climate impact.

Institutional investors and financial institutions who seek to align their investments to optimize risk, return and impact with the Paris Agreement's objectives, do so by continually measuring their investments against NDC capital raising objectives.

The event brings together multiple actors (governments, MDBs, investors, banks, business, and NGOs) to focus on aligning capital flows from the capital markets to meet and explore opportunities for investment in critical sectors, many covered under the Marrakech Partnership and to enhance NDCs in line with the long-term goals of the Paris Agreement.

Objective of the event: Impacts and progress made in 2018

Currently, there is no global guidance for implementing Article 2.1.c of the Paris Agreement, but there is a pressing need for mobilizing finance to meet the NDCs. Achieving global system wide decarbonisation and resilience will require collaboration between policymakers and investors to translate NDCs into a pipeline of projects with an investment roadmap. This in turn will provide clarity for investors, enabling the finance community to generate innovative financing solutions to meet climate goals. The financial sector could take a leadership role by setting out how this complex task could be achieved as financial system leaders in the fight against climate change.

The event will hear new and diversified pledges and announcements that match up to targets; identify specific investment opportunities in climate-smart sectors, and aim to discuss action along the following three focus areas:

¹ Commercial investment banks, endowment funds, mutual funds, hedge funds, pension funds or insurance companies



- Stock-take of previous investor pledges / commitments²
 - examples where NDCs are being successfully implemented;
 - measurement of achievements against Art. 2.1c.
 - existing barriers and ways to overcome allowing for scale in investment volume;
- Aligning the investor agenda with the climate agenda & identifying a roadmap for NDCs
 - identifying opportunities in specific sectors³;
 - redefining policy and price setting;
 - role of national development banks⁴ investing across geographic boundaries;
- Stimulating innovative solutions to finance the capital needed to meet NDCs
 - green bonds and loans;
 - domestic market development;
 - access to international capital markets.

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² This stock-take could cover both decarbonisation and resilience for investment and flows within the developed world and between the rest of the world.

³ e.g. [BNCFE](#) and [ISA](#) as initiatives that tie in capital markets with the development of a sustainable blue economy and renewables

⁴ e.g. [PT Sarana Multi Infrastruktur](#), [Fiji Development Bank](#), [International Investment Bank](#), [Development Bank of Mongolia](#)