



NZAOA – Sharm el-Sheikh Dialogue

June 2025



Asset owners - incentive and expertise to act on climate

- Impacts from climate change present a systemic risk to the health and stability of financial markets and investor portfolios.
- Beyond risks, asset owners see clear opportunities for improved returns in a low-carbon economy and through investment in the transition, from clean energy to adaptation and resilience.



- The NZAOA is a global group of 86 institutional investors, with 9.5 trillion AUM committed to transitioning their investment portfolios to net-zero GHG emissions by 2050.
- Members are decarbonising their portfolios in line with the 1.5°C pathways (as defined by the IPCC, with reductions of 6 per cent annually, on average).

Barriers to effective capital deployment

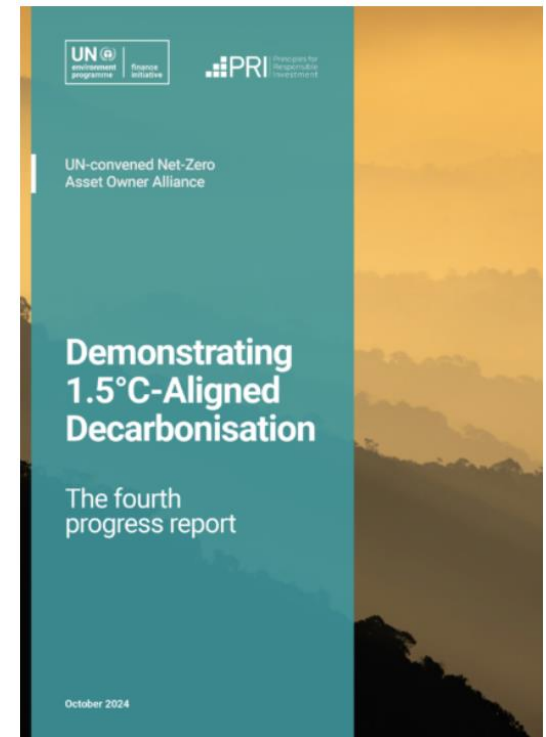
- The Baku-to-Belém target is \$1.3 trillion per year, **but global GDP exceeds \$100 trillion and NZAOA invested USD 555 billion in climate solutions in 2024.**
- The uncertain operating environment and commercial viability concerns prevent us from sufficiently scaling up investment.



We cover further barriers and policy solutions in our position papers on [Unlocking Investment in Net Zero](#), [Scaling Blended Finance](#), and [Scaling Private Capital Mobilisation](#).

NZAOA Members' progress overview

- The Alliance publishes detailed aggregate data on members' intermediate climate targets and implementation of those targets.
- Tracked progress of Members' absolute financed emissions show reductions of 6 per cent annually, on average.
- Key data highlights from this progress report include:
 - 81 members, with a combined AUM of **\$9.4 trillion** (98.9% of the Alliance's total AUM) have now set intermediate decarbonisation targets.
 - Nearly all (79) of the members setting targets have chosen to set sub-portfolio targets, which cover 48% or \$4.3 trillion of members' total AuM. On average, members **targeted a reduction of 26 per cent by 2025 for bonds, equities, real estate, and infrastructure.**
 - Members' investment in climate solutions has grown from \$380 billion in December 2022 to **\$555 billion** in December 2023



Investment support for solutions - further action needed

	USD billion	No. of members with CSI targets	Members' total AuM (USD bn)	Share of CSI
Dec 2020	87	17	2,120	4.1%
Dec 2021	253	15	6,155	4.1%
Dec 2022	380	68	8,262	4.6%
Dec 2023	555	81	9,227	6.0%

Figure 7: Growth in the Alliance members' climate solutions investments since 2020

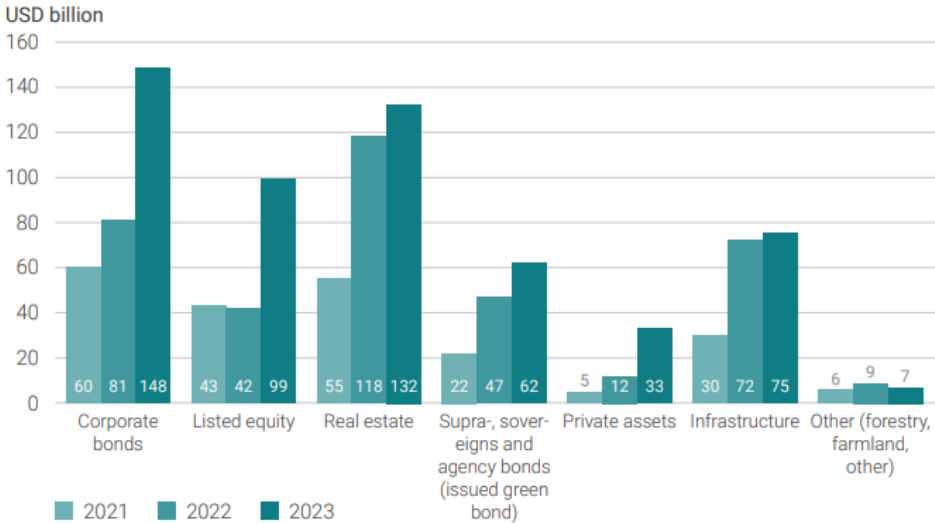


Figure 8: Spread of members' climate solutions investments across asset classes⁸

Alliance members recognise the urgency of this reduction imperative, yet the real economy is not shifting as fast as required.

The recent [Call to Action \(2024\)](#) urges policymakers and regulators to enact measures to **manage down systemic risk** and **unlock capital** for a just transition to net zero.

Baku to Belem Roadmap to \$1.3T

- The NCQG specifically identifies private finance as a key element of the target.
- Potential topics address private sector concerns include the following, as explored in our Baku to Belem Roadmap submission response.



Blended finance



Adaptation finance



Risk and return considerations



Stocktake implementation and the UAE consensus



International multilateral financial architecture reform

NZAOA Priorities for COP30

1. Galvanizing **international support for the implementation of detailed policy solutions** that overcome the key barriers to investment and support the mobilization of private capital at the scale, building on the pre-existing substantial body of work.
2. Promoting **anticipatory, strategic and transformational adaptation practices** and developing new and innovative solutions to adaptation finance.
3. Setting out clear measures for the **implementation and reporting on the global stocktake outcomes** with a view of transforming the incentives of global economic activity towards climate action and a just transition.
4. Ensure **that risk assessments accurately reflect the actual, rather than the perceived, risk** of investing in developing country economies.
5. **Promote the modernization of the governance and business models of the MDBs and DFIs** to better align with the Sustainable Development Goals (SDGs) and the Paris Agreement.

Next steps

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Publications and Articles

- [Op-ed: The public-private key to unlocking \\$1.3T in climate finance \(2025\)](#)
- [Submission to the UNFCCC on the Baku to Belem Roadmap \(2025\)](#)
- [Thermal Coal Position Paper \(Updated 2024\)](#)
- [Updated governmental carbon pricing position paper \(2024\)](#)
- [Call to action on climate urgency \(2024\)](#)
- [Unlocking investment in net zero \(2023\)](#)
- [Position on the oil and gas sector \(2023\)](#)
- [Scaling private capital mobilization: Call to action \(2023\)](#)
- [Call to action on scaling blended finance \(2022\)](#)
- [Renewed call to action to asset managers for climate-focused blended finance vehicles \(2022\)](#)
- [Scaling blended finance \(2021\)](#)



Thank you

Net-Zero Asset Owner Alliance

