

## Response to the 'Call for Submissions on the Climate Finance Work Programme

### **Disclaimer**

*This response was developed by IIGCC but does not necessarily represent the views of its entire membership, either individually or collectively.*

### **About IIGCC**

IIGCC is an investor-led membership organisation. We bring the investment community together to navigate the risks and opportunities of the transition and support progress towards a net zero and climate resilient future. We work with our members to create guidance, tools, frameworks and resources that can help them, in their individual contexts, to manage climate-related financial risk within their individual portfolios. Our work also supports investors to make the most of opportunities presented by the transition towards a decarbonised global economy and the realities of a changing climate. We have c.400 members across 20+ countries. More information at [www.iigcc.org](http://www.iigcc.org)

### **Responses to questions**

#### **a) What are your overall expectations for the climate finance work programme? What concrete outputs and outcomes should the climate finance work programme deliver?**

The climate finance work programme should play a central role in **operationalising the outcomes of COP29**, particularly the New Collective Quantified Goal (NCQG) and the Baku-to-Belém Roadmap to 1.3T. The work programme should aim to move decisively from goal-setting toward **credible delivery of finance**, by focusing on how finance can be scaled, channelled and deployed in ways that support the implementation of the Nationally Determined Contributions (NDCs) and building resilience in developing countries.

Private finance will be crucial to meet developing countries' needs. Investor appetite to seize the opportunities presented by the transition to a low-carbon, resilient global economy is both strong and growing. However, capital will not flow at scale without **clearer demand signals** from the real economy and better-aligned **incentives** that attract capital towards investment in the transition.

The climate finance work programme should therefore be pragmatic and solution-oriented, recognising how public finance and public policy frameworks can leverage much larger volumes of private investments.

We would welcome the work programme to advance discussions on the following issues:

- Clarify the scope of the **NCQG's** quantitative elements and enhance transparency on finance delivery modalities and progress tracking.
- Consider the role of **private finance** in **achieving climate finance goals**, including how to enhance and attract private sector engagement to mobilise capital at scale.
- Identify the **actions and conditions** to deliver on the climate finance goals, including addressing regulatory and investment barriers and developing policy frameworks that incentivise and attract climate investments linked to NDCs.
- Convene **exchanges between Parties, investors and MDBs/DFIs** to strengthen the catalytic role of public finance to crowd in private capital.
- Explore synergies and opportunities to advance the implementation of the recommendations in the [Baku to Belem Roadmap to 1.3T report](#).

By tackling these issues, we expect the climate finance work programme to deliver **tangible improvements in finance flows, access and impact**, including:

- Increased **confidence among both public and private actors**, enabling higher levels of investment aligned with low-emissions and climate-resilient development pathways.
- More **effective deployment of public and concessional finance**, particularly where it can unlock private investment and support adaptation and resilience where private finance is limited.
- Stronger **alignment between climate finance and national priorities**, supporting the implementation of NDCs and accelerating real-economy transition.

## b) What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?

The climate finance work programme should be structured around a **small number of clear, mutually reinforcing thematic pillars** that together support the scale-up and delivery of climate finance. These pillars should focus on **scaling finance, improving effectiveness, and enabling delivery**:

### 1. Scaling climate finance toward agreed goals

Addressing how to **increase the volume of climate finance** in line with the NCQG and the collective ambition to mobilise at least USD 1.3 trillion per year by 2035. Relevant subtopics include:

- Roles and responsibilities of public finance, multilateral development banks (MDBs)/ development finance institutions (DFIs), climate funds and private finance in contributing to overall scaling.
- Use of concessional, grant-based and non-debt-creating instruments to support countries with limited fiscal space.
- Alignment between international climate finance flows and national priorities, including implementation of NDCs and national development plans.

### 2. Improving climate finance effectiveness

Addressing how public and concessional finance can **more effectively attract and catalyse private capital at scale**. Relevant subtopics include:

- Strategic use of blended finance, guarantees and risk-sharing instruments to reduce investment barriers.
- Capacity of MDBs/ DFIs to increasingly mobilise private capital, including through specific mandates, innovative investment vehicles and greater collaboration with institutional investors.
- Balance between mitigation and adaptation finance as well as geographical distribution of finance flows, focusing on enhancing access for least developed countries and small island developing States.

### 3. Enabling delivery

Addressing **transparency and credibility** of delivery, and the **enabling conditions** to unlock finance. Relevant subtopics include:

- Clarity on what is counted toward climate finance goals and how different sources are reflected, including accounting for private finance mobilisation in a transparent manner, without undermining public finance obligations.

- Role of policy, regulatory and institutional frameworks in enabling climate-aligned investment, including domestic policy development aligned with NDC goals.
- System-level barriers and broader financial system reform to enable greater private investments in developing countries, including prudential regulations.
- Data sharing and accessibility to improve investor understanding of risk in developing countries.

**c) How should the climate finance work programme be organized to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?**

To ensure the work programme is inclusive, balanced and technically robust, we encourage the co-chairs to:

- Ensure an **open, transparent and consultative process** that actively includes the perspective of Non-State Actors (NSAs), across the full landscape of financial sector participants, including investors.
- Plan **regular engagements** throughout the year, including a combination of virtual and in-person dialogues, **leveraging existing events and milestones** in the climate calendar and ensuring broad geographical coverage.
- Build on **existing processes, knowledge and resources** within UNFCCC (e.g. Baku to Belem Roadmap to 1.3tn, Sharm el-Sheikh dialogue, etc.) and outside (e.g. G20, IMF/WB meetings) and catalyse closer collaboration between all relevant actors to mobilise finance at scale.
- Define specific priorities and questions that the work programme will address and focus on **identifying practical financial instruments and policy tools to mobilise climate finance**, allowing space for Parties and other stakeholders to share best practices and successful case studies.
- Set out **concrete outputs and actionable implementation pathways** that signal to all relevant actors the key steps needed to scale up all sources of finance to 2035 and beyond, providing assurance and clarity to developing countries that climate finance will flow.
- Establish **clear mechanisms for providing inputs, advancing deliverables and tracking progress** of the work programme, including feedback loops across thematic discussions.