



RACE TO ZERO

Dialogues

Outcome Document “Finance”

Thursday, 19th November 2020

Organised by [UN-convened Net-Zero Asset Owner Alliance]



Key Messages

Please provide one or two social media-style messages that summarize the most important impacts from the day's Dialogues. Emphasise progress on raising ambition in the Race to Zero, and consensus on actions and campaigns that will drive progress on transformational pathways. Please focus on impact in your sector/theme. We also suggest highlighting any outcomes that impact other sectors and broader systems change.

1. Message 1
2. Message 2

Supporting the narrative

Please support these headline messages with brief descriptions below.

Race to Zero Ambition

- *What did the Dialogues highlight today as evidence of growing support for the Race to Zero?*
- *Action by the Finance sector is demonstrating support for the Race to Zero*

Climate Action Pathways

- *How did these Dialogues build support for the relevant [Climate Action Pathways](#)?*
- *What was new in the Dialogues about the policy, technology or civil society actions within the Climate Action Pathways that are already underway?*
- *What new understanding was reached in the Dialogues for Pathway actions to be completed by COP26, and how to approach them?*
- *Finance is a key component of the Climate Action Pathways*
- *Finance actors have a key role to play in financing the transition in through the creation of products and allocation of capital to key technologies.*

2019 United Nations Climate Action Summit

- *How did the Dialogues take forward and scale up the transformational outcomes of the UN SG Summit to accelerate transition?*

Today's Dialogues' Session Highlights

Session name & lead partner	Highlights from the session (max 100 words per session)
<p>UN Net-Zero Asset Owner Alliance</p> <p>Opening: Financing net-zero: where do we need to go - and how fast can we get there?</p>	<ul style="list-style-type: none"> ● Raise the bar to net zero among banks, insurers and investors. ● Engage key existing finance initiatives on credible net zero commitments. ● Commitment from Principles for Responsible Banking, Principles for Sustainable Insurance and 7 investor groups in The Investor Agenda to mobilise members to join Race to Zero campaign and meet net zero criteria. ● Launch or signal launch of new asset manager net zero alliance. ● 3 major new investors joined the net zero asset owner alliance and Race to Zero: QBE (Australian insurer), St James Place (wealth manager) and Pension Plus (pension fund for Academics in Denmark)
<p>Science Based Targets initiative; WRI</p> <p>Net zero targets: what practical frameworks can banks and investors use?</p>	<ul style="list-style-type: none"> ● Demonstrate use-ability of net zero targets methodologies: ● Encourage adoption of new net zero targets methodologies from net zero asset owner alliance and from SBTi, and significant finance actors piloting the new methodologies. ● New SBTi for finance sector published in October (boundary, timeframe, ambition, scope 3, reporting) – 61 committed financial institutions – work in progress. NatWest joined SBTi. ● Principles for Responsible Banking's existing climate leadership group of 38 banks is preparing to support Race to Zero, with UNEP FI asking a; banks to support its "collective commitment to climate action."
<p>UN Net-Zero Asset Owner Alliance</p> <p>Sectors: how can we finance sector transition to net zero?</p>	<ul style="list-style-type: none"> ● Agree need for convergence in sector pathways and way forward for financing. ● Launch or signal launch of new net zero asset owner alliance publication on financing sector transition. ● Catalyse finance sector attention to emerging markets and resilience. ● Financing sector Transition: new LGIM sector transition to net zero research launched identifying interlinkages, also new UTS research, commissioned by the net zero asset owner alliance, Sectoral Pathways to Net Zero Emissions – identifies priorities for investment.
<p>National Business Initiative</p> <p>Market mechanisms to drive transition in developing countries: South Africa</p>	<ul style="list-style-type: none"> ● This session will address the complexity of developing country transition pathways and market-led opportunities as part of broader socio-economic transformation critical to ensuring long-term competitiveness and developmental pathways that are equitable and just. ● Green finance opportunities, market mechanisms, driving green structural change through national sustainable transition roadmaps



	<p>and policies and private sector leadership and action, are critical elements of achieving a just and inclusive climate transition.</p> <ul style="list-style-type: none"> ● Country transition: South Africa, Eskom CEO saying we need to transform ourselves and access green finance linked to decarbonization of Eskom to fund transmission growth and ensure just transition. Needs State leadership and enabling policy environment.
<p>The Centre for Climate Justice, Glasgow Caledonian University</p> <p>Advancing Equitable & Gender Sensitive Climate Finance for All</p>	<ul style="list-style-type: none"> ● To achieve an equitable, just and gender sensitive ‘distribution’ of climate finance, we must ensure that financial flows are aligned stringently with the financial needs of those who have contributed least to climate change but are suffering the most. ● This needs to be considered at global, national and local levels which means being bold, ambitious, creative and be driven by a set of core social and climate just values that meet the needs of the many not just the few. ● Placing inclusivity, representation, voice and participation at the core of financial flow design principles is a must. ● Gender: new platform launched: the Glasgow Caledonian University Centre’s Advancing equitable, just and gender sensitive climate finance for all
<p>Zurich Flood Resilience Alliance</p> <p>Financing a Resilient Future: How and Why to Close Adaptation Financing Gaps</p>	<ul style="list-style-type: none"> ● Financing resilience: Champions resilience campaign will launch in 2021. Zurich targets 5 million people in their resilience work and saving 5 million tonnes CO2 globally. Zurich says the world must be insurable. Principles for Sustainable Insurance calls on insurance companies to close the resilience financing gap.
<p>World Climate Foundation / Climate Investment Coalition; Climate Investment Funds; World Resource Institute</p> <p>Public-private finance: financing the Race to Zero in developing and emerging economies</p>	<p>Public-private finance: financing the Race to Zero in developing and emerging economies will aim to:</p> <ul style="list-style-type: none"> ● Have a tangible impact on the mobilisation of finance for scaled-up real economy investments in developing and emerging economies in line with the objective of getting to net-zero emissions by 2050 and a 1.5-degree climate-resilient world. ● Seek to give both private and public financial institutions increasing confidence in the inevitability of and benefits from aligning their portfolios and role in the financial system and the economy with net-zero.
<p>The Investor Agenda</p> <p>Practical actions: investor collaboration to accelerate actions towards a zero carbon economy</p>	<p>Global Investors join Investor Agenda in a call for bolder commitments toward a net zero emissions economy</p> <p>The Investor Agenda’s session brought together global investors from the U.S., China, Australia, Denmark, Brazil, and India, all of whom have already taken bold and decisive steps toward a net zero emissions economy.</p>



	<p>The session showed how leadership on climate change and global collaboration can be used to inspire bolder commitment from investors by raising the bar and building on existing momentum.</p> <p>Bringing together and helping drive participation in a range of global investor initiatives, the Investor Agenda supports investors taking concrete action critical to achieving the Paris Agreement.</p>
<p>Said Business School & HEC Paris</p> <p>Building Bridges: Business Schools and Finance Leaders towards Race to Zero</p>	<ul style="list-style-type: none"> - What kind of research is needed at business schools when it comes to financing a Net Zero Economy? - What do leaders in the financial industry expect from business school graduates? - How should business school programs evolve ? - What do future leaders expect from business schools? <p>Business schools create finance and business leaders. Business schools come together with the Finance sector, to coordinate activity and work together to build the leaders of tomorrow who will help financing the Net Zero Economy and create conditions for ambitious climate action.</p>