Submission to the Call for Inputs on the *Belém Mission to 1.5*

30th June 2026

About

This submission was jointly developed by the Asia Investor Group on Climate Change (AIGCC), CDP, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC), Principles for Responsible Investment (PRI), and UNEP Finance Initiative (UNEP FI) and their members but does not necessarily represent the views of their entire memberships, either individually or collectively.

We welcome the opportunity to share the investor perspective on the ***Belém Mission to 1.5*** and contribute to the efforts of COP 31, COP 30 and COP 29 Presidencies to address critical barriers to implementation and accelerate investments into mitigation, adaptation, and nature.

Response

The Paris Agreement ambition to limit warming to 1.5°C recognised that this would ‘significantly reduce the risks and impacts of climate change,’ and subsequent UN climate conferences have reiterated the 1.5°C goal. Overshooting 1.5°C brings significant and rapidly escalating climate risks - every increment of warming brings greater impacts and costs on the economy, nature and society, with significantly worse outcomes in a 2°C world compared to a 1.5°C world.

Nationally Determined Contributions (NDCs) are the key mechanism for countries to achieve the Paris Goals by pursuing emission reduction efforts domestically that contribute to global efforts to limit dangerous climate change impacts. Alongside NDCs, **National Adaptation Plans (NAPs)** seek to reduce vulnerabilities and build resilience. However, to date, persistent ambition and implementation gaps have led to slow progress towards the Paris goals, crucially hampered by the lack of financial resources needed to achieve the NDC targets.

Against a backdrop of increased pressure on public finances, an increased focus on mobilising and scaling up **private finance** will be required to support the implementation of NDCs and delivering on resilience and development goals.

Investors are key players in the financial ecosystem. As climate-related financial risks intensify – from wildfires and extreme weather events to infrastructure damage and supply chain disruption – long-term investors recognise both the **risks of inaction and the investment opportunities** associated with the transition.

Investor appetite to seize the opportunities presented by the transition is both strong and growing. However, capital will not flow at scale without **clearer policy signals and better-aligned incentives** that improve the risk-return profiles and attract capital towards investment in the transition.

Q1. What action areas and solutions have the highest impact potential to support the submission, ambition and implementation of NDCs and NAPs.

Accelerating ambition requires a concerted effort from all Parties in translating global goals into consistent domestic targets. Most importantly, target-setting needs to be underpinned by concrete implementation plans – key action areas include:

I) Advance enabling policy and regulatory frameworks

Clear and stable **policy and regulatory frameworks provide** investors with **long-term predictability and consistent signals** that are critical to steer capital towards climate-related investments. While all countries will adopt frameworks in a nationally determined way, mobilising capital will require financial, economic, sectoral, trade and other policy levers[1] are deployed in a whole-of-government approach[2] to the transition.

Key examples of enabling policies include:

- **Carbon pricing** that improves the economic profile of climate solutions and transition-focused investments, making decarbonisation more cost-competitive.
- Equitable **removal of fossil fuel subsidies** that shift commercial incentives in favour of clean technologies, ensuring policy cohesion and addressing externalities.
- **National transition strategies**, developed in a whole-of-government and whole-of-economy approach, that can support entity-level transition planning and help implement national climate and development objectives.[3]

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[1] Evidence shows that countries with clear, stable climate policies attract a disproportionate share of transition capital.

[2] This includes embedding climate objectives into fiscal policy, public budgeting and macroeconomic planning, recognising the central role of Ministries of Finance in translating climate ambition into investable national pathways.

[3] CDP (2025) *Data as the Catalyst: Powering National Transition Planning Across Climate and Nature Goals*.

- Clear **sector transition roadmaps** that provide a clear direction for industry and an understanding of the viability of decarbonisation investments along concrete timelines, backed by demand drivers (such as procurement), incentives and derisking mechanisms.
- Targeted government **support for clean energy projects and technologies** that can help de-risk them and attract private finance.
- Clear **just transition frameworks** that help mitigate social and political risk and transition volatility and account for diverse realities of countries at different stages of the transition.
- **Financial policy tools**, such as taxonomies, disclosure rules and transition plans, that allow central banks and supervisors to identify and understand transmission channels of climate-related risk.
- **Prudential frameworks** that appropriately recognise the long-term characteristics of climate-related infrastructure investment while maintaining financial stability objectives.

II) Integrate financing strategies directly into NDCs and NAPs

NDCs and NAPs should include **quantified investment needs and financing strategies** to identify which sources of finance can meet those needs, providing a strong signal to investors on the key opportunities for private finance.

Whilst the recent NDC submissions included more emphasis on the quality, economic coverage and financing of NDCs, governments can go further in integrating financing strategies. Critically, linking NDCs and NAPs to budgetary and investment systems can help move climate commitments from targets into implementation pipelines.

Key actions include:

- Assessing the macroeconomic impacts of the transition as well as overall **transition costs, co-benefits and investment needs** across sectors, and integrating them into national fiscal frameworks and planning.
- Mapping **public, private and concessional finance sources** that could match investment opportunities.
- Deploying **innovative financial instruments,** including the strategic use of blended finance, guarantees, and risk sharing instruments[4] to address investment barriers, reduce the cost of capital, and crowd in private capital.

[4] Advancing greater standardisation of blended-finance structures and guarantee frameworks is critical to reduce transaction costs, improve replicability and shorten time-to-market.

- More **effective deployment of public and concessional finance,** maximising the catalytic use of public finance to mobilise private investment and supporting adaptation and resilience where private finance is limited.
- **Co-development of investment opportunities** with other stakeholders, such as multilateral and development finance entities (e.g. MDBs/ DFIs) that can help de-risk investments and mobilise private finance in a targeted way, to better align risk appetite, investment horizons, and financing instruments to the diverse sources of private finance, especially in EMDEs.

III) Develop granular, sector decarbonisation roadmaps

The development of **credible, long-term strategic plans** to support the decarbonisation of material sectors in the economy, particularly those that mostly rely on fossil fuels, is an effective way to help inform private investment decisions. Sector roadmaps should set out:

- **Clear emissions trajectories and interim milestones** across sectors.
- **Technology deployment trajectories, policy levers, and investment needs** for actionable plans, supported by KPIs to ensure accountability and measuring progress.
- **Technology readiness and scaling considerations**, accelerating the deployment of **mature low-carbon technologies** alongside support for emerging solutions.
- **Interdependencies and trade-offs within and across sectors**, in particular where investments in underlying enabling infrastructure are necessary to decarbonise multiple sectors, such as grids and storage solutions for the electrification of key sectors, including transport and building.
- Clear **linkages** to national transition plans/NDCs, financing strategies, resilience and just transition plans.

IV) Align climate mitigation, adaptation, nature and development strategies

Placing increased emphasis on co-benefits of climate-related investments across adaptation and resilience, nature and just transition, recognising their role in strengthening resilience and long-term economic stability:

- Enhance **coherence and efficiency across policy frameworks**.
- Strengthen the **investment case for integrated climate and development action,** ensuring that economic benefits and just transition are considered alongside climate mitigation and adaptation outcomes.
- Support financing for solutions that address **multiple climate, nature, and development objectives** (e.g. nature-based solutions, resilient supply-chains, sustainable agriculture).

- Encourage the development of financial and policy frameworks that better **integrate nature-related and social dimensions** into transition planning.

V) Create institutional spaces for structured public–private collaboration

Establish platforms for systematic engagement between governments, investors, and industry to advance the transition. Institutional investors can provide a valuable perspective and clarify expectations on the conditions needed to mobilise private capital for transition-related investment. More structured investor engagement can:

- Support the **co-development of investment opportunities** and sector transition plans, including more efficient matchmaking between investment opportunities and appropriate sources of finance.
- Facilitate the **development of investment-ready pipelines and underlying policy frameworks**, to improve bankability and alignment with institutional investment requirements. This can include country platforms or other coordination mechanisms to align climate priorities to capital needs.
- Share **best practices and lessons learned** internationally, especially on policy design and institutional arrangements, investment planning and project preparation. For example, it could advance discussions on the interoperability of sustainable finance taxonomies to reduce fragmentation and facilitate cross-border capital mobilisation.
- Enhance **transparency of processes and data sharing** to improve investor understanding of the risks and opportunities.

Additionally, we identify two key action areas to be prioritised for policy development and investments:

1) Energy transition

The energy transition depends on the deployment of clean energy technologies, and these often depend on grid development, sufficient energy storage capacity, and a conducive power-market that attracts investment. Policy can unlock capital allocation by:

- Scaling the **deployment of low-carbon energy systems, electrification, and storage**, including the development of enabling grid infrastructure.
- Providing ample government support for clean energy projects to **de-risk projects** and attract private finance.
- Removing inefficient **fossil fuel subsidies** to shift commercial incentives in favour of clean technologies, addressing market distortions and externalities.

- Implementing **power-market reforms,** including transparent and competitive procurement mechanisms, that provide long-term investment certainty for faster clean energy deployment and electrification.
- Supporting the implementation of global targets, such as the **Global Energy Storage and Grids Pledge**, and supporting international collaborative initiatives, such as IRENA's UNEZA, which seeks to promote transition among global utilities.
- Promoting international principles such as the Green Grids Initiative's **Climate Finance Principles to Unlock Grids Financing** to promote credibility and transparency around grid financing.

2) Adaptation and resilience

While adaptation financing has been highlighted as a priority area for the public sector, it also affects institutional investors as climate risk entails portfolio, sovereign, supply chain, and infrastructure risks. As the adaptation finance gap remains substantial, the inclusion of private capital will be crucial to support these ambitions on adaptation. Adaptation finance can be elevated by:

- Treating adaptation and resilience as **core economic and financial priorities**.
- Engaging with institutional investors on the **development of investment strategies** for adaptation priorities and projects in alignment with NAPs.
- Providing clear, accurate, and **detailed physical risk data** at national level.
- Incorporating **adaptation in taxonomies**.
- Including resilience-related KPIs in **sector transition plans**.
- Highlighting **how companies can increase their own valuations** by incorporating adaptation and resilience in long-term planning.

Q2. What is required to further strengthen international cooperation to enhance ambition and enable the effective implementation of NDCs and NAPs?

The efforts to accelerate the implementation of NDCs and NAPs should build on **existing processes, knowledge and resources** within UNFCCC and across other relevant fora (e.g. G20, IMF/WB meetings, OECD, Coalition of Finance Ministers for Climate Change). Regular dialogue between policymakers and all economic actors delivering the transition, including investors, could help make progress on the enabling conditions, institutional frameworks and financial architecture necessary to translate climate commitments into investable, scalable implementation pathways.

Key opportunities include:

- Support the **domestic implementation of the first Global Stocktake (GST 1) outcomes**, particularly on the energy transition, renewables, energy efficiency, just transition, and deforestation, through specific sectoral targets in NDCs and accompanying policy frameworks.
    - This includes expanding international **support for project preparation and pipeline development**, including technical assistance and grant-funded early-stage development, to improve the supply of bankable projects aligned with NDCs and NAPs.
- Build **momentum for greater action in the lead up to COP31 and lay down a plan for continued engagement** beyond Antalya, convening Parties and non-Party stakeholders to take stock of NDC and NAP progress, identify gaps in delivery, and surface practical barriers to implementation.
    - This includes **multi-stakeholder processes to address foundational barriers** to capital mobilisation. As many markets face multifaceted constraints – spanning financial, regulatory, legal, governance, and market infrastructure – "market development exercises" could be an effective way to address them. Supported by experienced delivery organisations, such as the NDC Partnership, institutional investors can bring a crucial perspective to help address these challenges and identify new investment opportunities.
- Utilise the **Action Agenda to mobilise non-Party stakeholders**, including investors and businesses, around key solutions across technology, finance, and policy; examples include:
    - Catalysing **support for global electrification** as a response to the energy crisis and to advance key clean energy goals in the UAE consensus.
    - Recognising the potential to mainstream **supply chain transition planning**[5] across national/ regional frameworks and promoted in multilateral fora such as COPs.
- Accelerate the **delivery of climate finance commitments** and ensure stronger alignment between climate finance needs and national priorities, supporting mechanisms that leverage public and private finance in support of NDC and NAP implementation. Key actions include:
    - Strengthening **cooperation among public development banks, MDBs and private investors** to harmonise risk definitions, disclosure frameworks and guarantee structures, helping reduce perceived risk and improve investability of climate projects, particularly in EMDEs.

[5] These could help link national/ sector transition plans with trade considerations to ensure that both are synergistic and promote transition, economic, and energy objectives. This would help provide additional clarity to investors as they consider cross-border investments that support decarbonisation and industrial transition.

- Scaling **catalytic capital to improve risk-return profiles and crowd in private capital** at scale, including through standardised blended finance vehicles, guarantees, and more efficient and predictable climate finance deployment.