The International Platform for Climate Finance Overview

Interaction between aspects of IPCF proposal

Capital Raising Plans shows investment and infrastructure required for transition and the sources of finance.

Demand matched with Accord commitments and support provided to reach investment targets if needed.

Accord shows institutional ambition – with published transition plan and SBT. Including commitment on capital flow to the Capital Raising Plans

Annual reporting, building on TCFD approach, with increase in ambition to follow Paris process.

Progress of institutions and capital raising plans tracked.

Tools – e.g. market thermometer, SBT, TCFD, CCRI etc – inform company transition planning and capital raising plans.

Guidance developed for transition plans by institution type.

Glasgow Private Finance Accord signatories

- Align their business model to aim of the Paris Agreement – acting to help restrict climate change to >1.5 degrees of warming
- Use their influence to urge alignment to the Paris Agreement, with the Accord where appropriate
- Publish a Transition Plan [Institutionally Determined Commitment (IDC)] setting out how they will align their business & use their influence, including short/ medium term objectives and a credible trajectory
- Analyse and annually disclose:
    - the impact of climate-related risks on their business (following TCFD approach);
    - progress against their IDC and any increase in ambition
    - investment appetite for blended finance pools,
- Update and increase ambition of IDC every three years

National or regional capital raising plans

- Countries or regions wanting to create a strategy to finance their Nationally Determined Contribution and transition to a >1.5 degree of warming would develop a capital raising plan.
- A country or region would receive advice and capacity building from the IPCF and create a plan including:
    - Requirements: the infrastructure and investment required to transition their economy to >1.5 degree of warming.
    - Funding sources: estimate financing that can be raised per source, in particular using commitments in the Glasgow Finance Accord.
- These plans could be revised, updated and increased ambition in line with the UNFCCC process for NDCs.

The Accord would establish an International Platform for Climate Finance to monitor and guide these processes

Monitoring mechanisms and guidance

Financial institutions

- The IPCF would administer signatories to the Accord, maintain the reporting guidance and monitor the commitments as well as acting as a central on-line repository of the IDCs. Where IDCs are considered exceptional, the IPCF will issue an award. Where FIs neglect to publish their IDC, the IPCF will eject them.

- It will also maintain an on-line register highlighting which key FIs have not yet signed in order to facilitate and focus investor engagement. In due course, it is likely league tables ranking FI transition performance will emerge.

Countries & regions

- The IPCF would provide advice and capacity building for finance ministries, central banks to develop NDC capital raising plans. While not a regulator, the IPCF would work with other market participants to help provide bilateral advice, peer to peer exchange and capacity building to national governments.

- This would include a view on the infrastructure and capital involved. Working with financial institutions it would then estimate the financing that can be raised via infrastructure investment, project finance, corporate debt, foreign direct investment, equity investment as well as sovereign and Multilateral Development Bank (MDB) debt.

- This process would use the signatories of the Glasgow Private Finance Accord to look at the national financing capacity of banks, insurers and institutional investors from portfolio to project – acting as a bridge between the need for transition finance and the private sector.