The International Platform for Climate Finance

Aviva Investors: Internal

The International Platform for Climate Finance

- **The international community currently lacks a comprehensive strategy to transition finance to support the Paris Agreement on climate change.**
- **The International Platform for Climate Finance (IPCF) is proposed to address this gap and along with an update to the global finance architecture to include climate and delivery of net zero**

Current gaps	➢ The Paris Agreement references finance flows but has no implementation mechanism.	➢ The need for a bridge between private finance seeking to transition and national needs for investment to move economies to net zero.	➢ All economies need to consider climate risk and act to lower emissions but existing market structures were built before climate change was understood.	➢ There are a lot of existing climate finance initiatives but despite the number and ingenuity these are not delivering the scale of change or finance needed.
How these proposals address this	➢ The IPCF would co-ordinate and oversee the global, financial transition and track progress.	➢ The IPCF would support countries with estimating finance needs, assessing how these could be met, and bringing together public and private actors.	➢ Updating the mandates of global and regional multilateral finance organisations to take account of climate would help speed the pace of transition.	➢ Without reform to market structures and regulators in the global financial architecture the volume of finance flows will continue to be limited

The International Platform for Climate Finance

The Coalition for an International Platform for Climate Finance are recommending that G20 invite the OECD to bring forward proposals for convening an International Platform for Climate Finance (IPCF), which would:

- Bring together financial institutions (eg. banks, insurers, investment managers) with those that shape the markets to produce a Global Finance Transition Strategy
- Offer Technical Assistance to developing countries seeking to produce capital raising plans for their Nationally Determined Contributions (NDCs)
- Promote – and measure – ever greater flows of climate finance by all financial institutions into the areas where it is needed most
- Produce an annual report analysing the efficiency, effectiveness and consistency of the various international initiatives on climate finance.

Full details in the White Paper: Harnessing the International Financial Architecture

Getting the global financial architecture fit for purpose

- The global financial architecture was designed before general awareness of the climate crisis. If we are to move global finance at the scale and pace needed to deliver the Paris Agreement – it needs to be updated.

- The mandates and ways of operating for these institutions need reviewing and aligning with Paris so that they include management of climate risks and delivery of net zero in the markets, sectors, products or processes they oversee.

IMF, World Bank, OECD, BIS, UN affiliated finance organisations.

FSB, IOPS, IOSCO, IAIS, Basel Committee, IFRS & NGFS (some cross-over into standard setters)

ACCA, Equator Principles, Coalition of Finance Ministers for Climate Action

Full details on this proposal in the White Paper: Harnessing the International Financial Architecture

The Coalition for the International Platform for Climate Finance

How can organisations get involved?

- Attend IPCF Coalition calls to input, discuss and share intelligence
- Input from your specialism to the IPCF idea and design
- Opportunity to input to G7, G20 & COP26 finance activity
- Advocacy for a Platform through political engagement or external opportunities
- Join as one of 38 public allies in support of the purpose statement (next slide) or as one of 75+ privately participating organisations

Current public allies

Adam Smith International · AIM Affirmative Investment Management · AMS Antwerp Management School · ARIO · AVIVA · AVIVA INVESTORS · Bates Wells · Business Declares · CAMBRIDGE ZERO · CENTRE FOR CLIMATE CHANGE ENGAGEMENT HUGHES HALL

Chapter Zero The Directors' Climate Forum · CLIMA CAPITAL PARTNERS · CLIMATE FINANCE ADVISORS · CLIMATE POLICY INITIATIVE · Climate Risk Services · CLIMATE Strategies · Coalition for Climate Resilient Investment · DENHAM CAPITAL · earthcapital

EIRIS FOUNDATION · FORUM FOR THE FUTURE · GLOBAL ETHICAL FINANCE INITIATIVE · The Global Foundation Together, we strive for the global common good · Green Finance Institute · ICAEW · ICC INTERNATIONAL CHAMBER OF COMMERCE · IB1 Icebreaker One · icmif International Cooperative and Mutual Insurance Federation · Institute for Global Prosperity

ICSWG · Pinsent Masons · RB REDBROW · SETA Network Symbiosis of Environmental Technology Architecture The Power of Nature · TAPMI · Think Renewables · THINKING the UNTHINKABLE · The Value Reporting Foundation INTEGRATED REPORTING IR SASB · VOLANS · World Benchmarking Alliance · WWF

IPCF Coalition purpose statement

Organisations which are public allies of the Coalition have agreed to this purpose statement:

We, the coalition for the International Platform on Climate Finance (IPCF) commit to advocate for the creation of a platform to operationalise, facilitate and track global progress against the objectives of Article 2.1.c of the Paris Climate Agreement.

Article 2.1.c "*…aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by…making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.*"

The IPCF seeks to bring Article 2.1.c to life by:

1. Supporting UN member states in ensuring that both public and private finance flows become consistent with the objectives of the Paris Agreement;
2. Assessing and publish information about the "warming potential" of capital markets with the aim of informing member states as they assess progress towards their Paris commitments;
3. Providing a platform for information exchange to collate and share best practice in climate finance; and
4. Sharing templates for capital raising and deployment to promoting climate aligned spending.

We will incorporate the IPCF calls to action within our own work wherever possible, collaborate with other coalition members to promote the aims of the IPCF with policymakers and to encourage others to join the coalition and share its aims.

We will attend and contribute to roundtables and coalition meetings to shape the concept of the IPCF and develop its workstreams. We will advocate for climate finance outcomes, including the aims of the IPCF, to be a feature of the outcomes of COP26 in November 2021 in Glasgow.