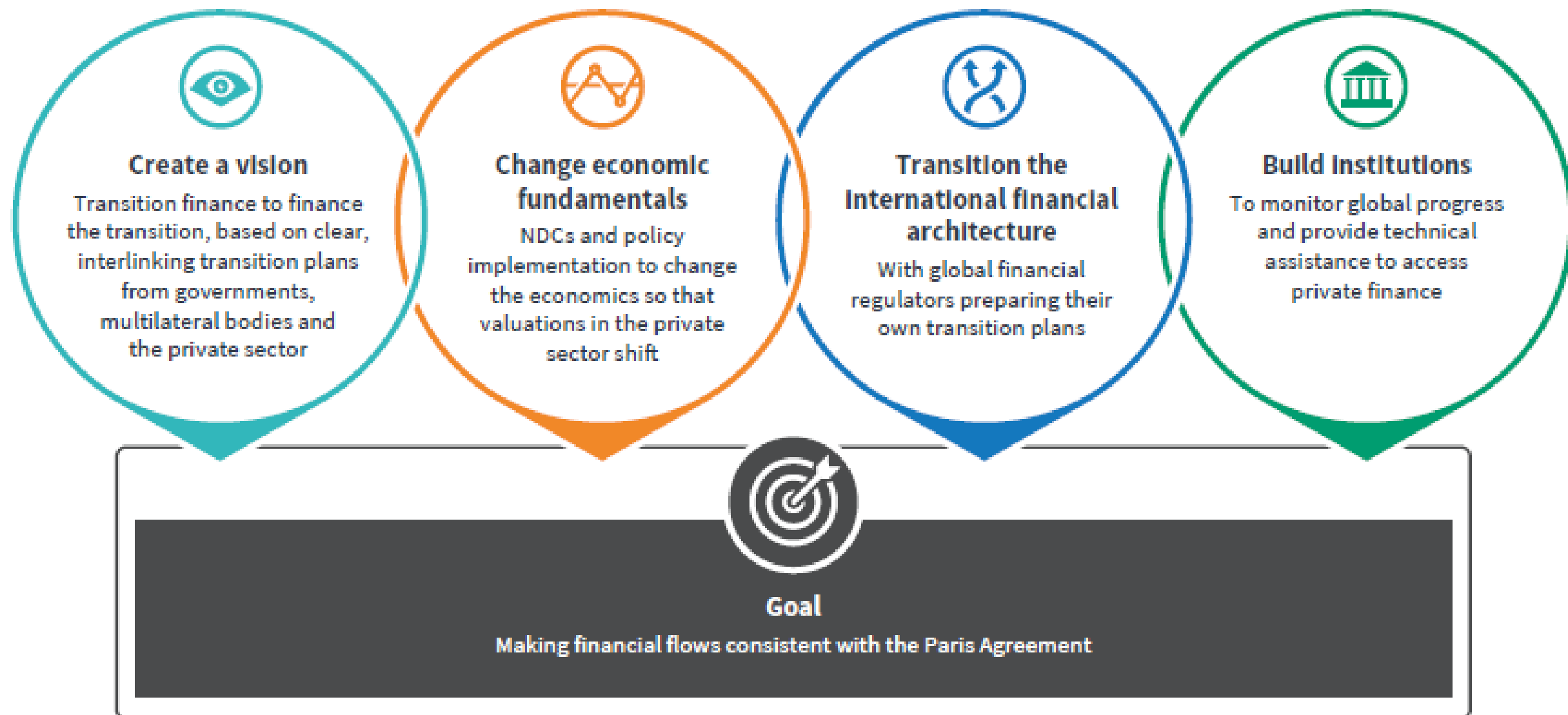


The Tipping Point for Climate Finance

Making financial flows consistent
with the Paris Agreement

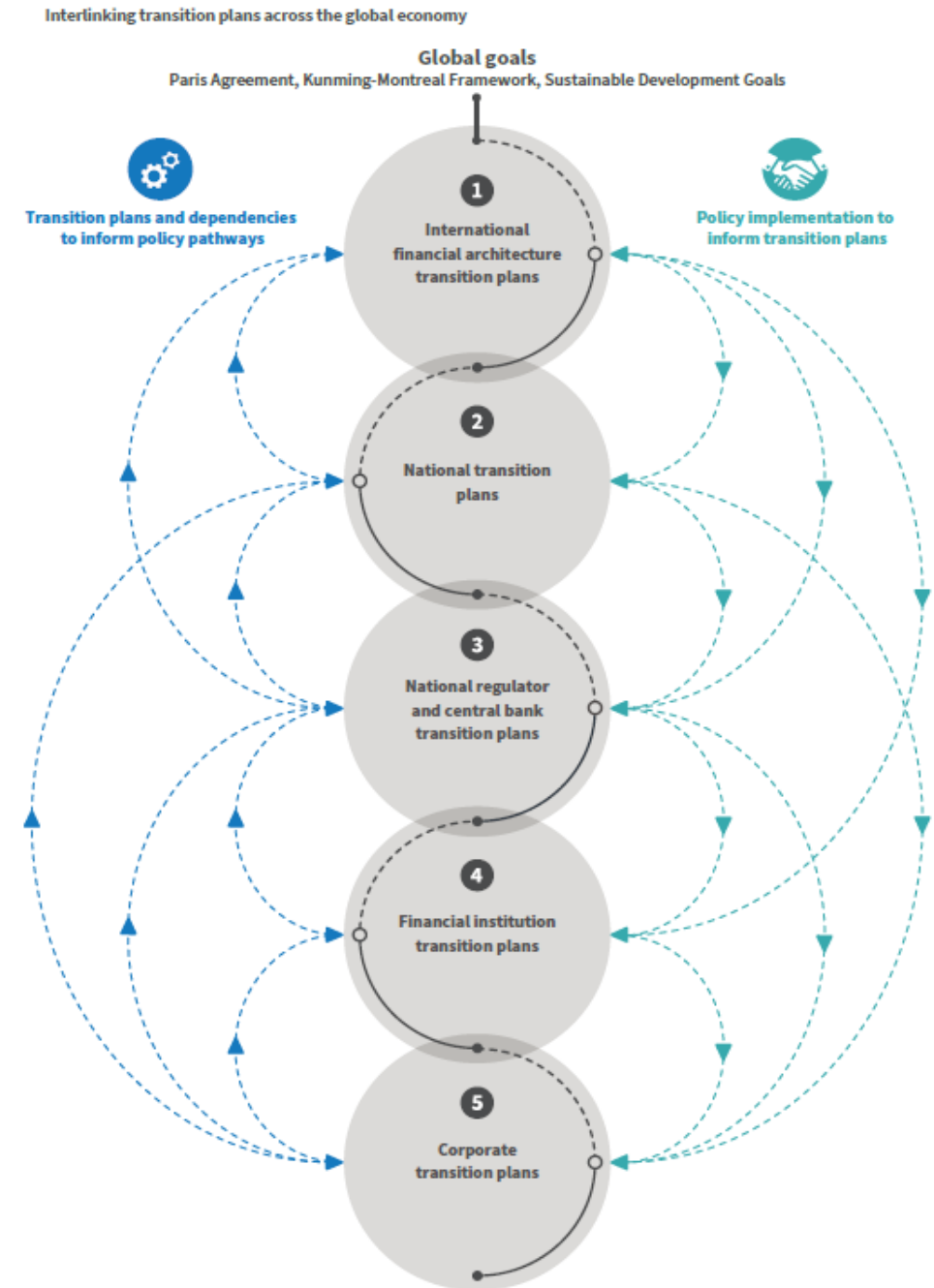
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The Tipping Points for Climate Finance - aligning the whole of finance to global goals



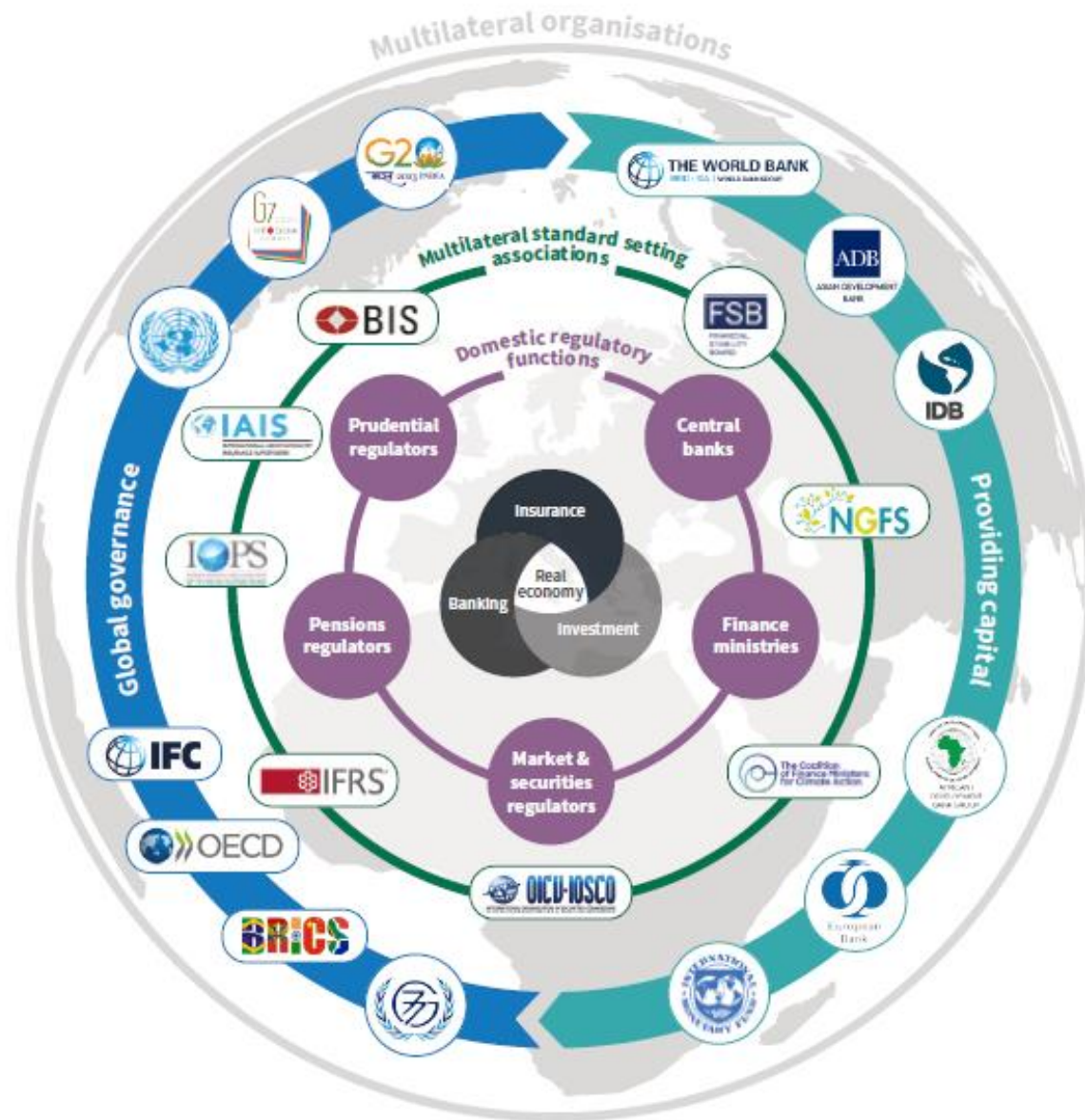
Creating a transition planning “ecosystem” informed by global goals

- National transition plans
 - How will global commitments and national ambitions be delivered? Short, medium, and long term priorities, implementation detail, sectoral pathways, and policy certainty to support action by real economy and impact valuations and investment/lending/underwriting decisions by financial institutions.
 - Use information from the plans of corporates and financial institutions to understand transition dependencies and assumptions.
- Regulator and supervisor plans
 - Build on common principles from international authorities and standard setters to promote efficiency and reduce fragmentation
 - Informed by national priorities
 - Help to guide the plans and implementation from those they supervise/regulate by sending signals about regulatory alignment
 - Need to include regulatory and supervisory function as well as own operations and balance sheet
- Financial institution plans
 - Set out how intend to achieve decarbonisation, nature and just transition ambitions
 - Include policy assumptions and dependencies as a key feedback mechanism
 - Send signals to regulators and supervisors
- Corporate plans
 - Used by financial institutions to understand risks and opportunities
 - Policy assumptions and dependencies feedback to national plans



Source: Aviva Investors, November 2023.

Transition planning across the International Financial Architecture



- Beyond MDBs and IFIs – signals from international authorities and supervisors
- How will their work plan, principles, and frameworks evolve to take account of national commitments to a just climate transition, nature, SDGs?
- Governments set the policy and trajectory, but finance system can support and deliver a more efficient transition if right signals are sent as well as avoiding market and price instability and the need to mitigate systemic risks as well as transition risks
- Critical coordination role across jurisdictions
- Sharing best practice and capacity building

Signals from the Dubai Consensus at COP28

70. *Also recognizes* the role of the private sector and *highlights* the need to strengthen policy guidance, incentives, regulations and enabling conditions to reach the scale of investments required to achieve a global transition towards low greenhouse gas emissions and climate-resilient development and *encourages* Parties to continue enhancing their enabling environments;

Transition planning as a means to coordinate the strategic delivery of the necessary strengthening of policy guidance, incentives, regulations and enabling conditions in a coordinated way