

Ministerial Meeting COP29 Finance Day Co-Chairs Summary

Co-hosted with the COP29 Presidency, the Ministerial Meeting of the Coalition of Finance Ministers for Climate Action ('the Coalition') took place on Finance Day at COP29, focusing on best practices and challenges in effectively allocating, mobilizing and coordinating financing for the implementation of national climate plans. The Ministerial Meeting was chaired by the Netherlands Co-Chair and attended by nearly thirty member countries. This meeting held particular significance taking place a year after the first Global Stocktake of the Paris Agreement, which showed that, while progress is being made, countries are collectively not on track to stay within 1.5°C of global warming. Importantly, full implementation of current National Determined Contributions (NDCs) still put the world on a concerning trajectory of 2.6-2.8°C.

Finance ministries hold the keys to unlocking the potential of NDCs, highlighted by the Coalition's Co-Chairs, NDC Partnership Co-Chairs, and United Nations agencies in the [Joint Call to Action](#) from April 2024. This was a key theme echoed by the opening panel of the Ministerial Meeting at COP29 Finance Day, in which the finance ministers of the Netherlands and the United States Treasury, as well as high-level officials from the IMF and World Bank were represented. It was noted that whilst finance ministries are critical to the successful implementation of yet even more ambitious NDCs, they are confronted with a challenging "policy trilemma": managing high public debt, meeting critical climate spending demands, and navigating resistance to tax increases amidst higher costs of living. Other key themes that emerged included the need for improving public investment management, mobilizing domestic resources, and leveraging innovative finance tools to support climate goals. Speakers also highlighted the importance of building capacity to mainstream climate risks into fiscal policies and creating an enabling environment to secure affordable public and private international financing for sustained climate investments.

Focused on sharing insights and strengthening efforts to help finance ministries overcome these challenges and unlock essential funds to turn NDCs into action, the Ministerial Meeting featured three focused sessions:

1. Exploring the key challenges and opportunities for finance ministries in allocating public finance and mobilizing private investments to meet mitigation and adaptation goals of NDCs

The first session highlighted the pressing need to bridge the substantial climate finance gap. Despite recent growth in climate finance, the gap presents both a challenge and an opportunity, underscoring the need to mobilize public funds more effectively while encouraging private sector involvement. Key issues discussed included the need for concessional and grant-based finance, especially for vulnerable nations facing high climate adaptation costs, and the importance of simplified access to funds to overcome existing barriers. Finance ministries play a crucial role in creating the conditions necessary for private sector investment, yet successful engagement requires strong regulatory frameworks, clear project structures, and transparency. An important theme was the role of high integrity, high impact carbon markets, which offer potential revenue streams through carbon sequestration and mitigation projects. However, there is a need for better certification and connection to international markets to unlock these opportunities. To foster sustainable, low-carbon growth, countries must implement domestic resource mobilization strategies and reforms that facilitate green investment. Additionally, innovative financing approaches – like blended finance and sovereign wealth funds – are key to de-risk investments, particularly in high-risk or emerging clean technologies, helping to attract private capital while aligning finance with ambitious net-zero targets. Simplifying market access to finance, fostering private sector confidence, and building national capacity emerged as critical steps to effectively mobilize resources needed for achieving NDC and National Adaptation Plan (NAP) objectives.

2. Effective coordination mechanisms, such as country platforms, for the mobilization of financing for NDCs, with a particular emphasis on the role of finance ministries

The second session highlighted the role of finance ministries in coordinating and driving NDC financing and implementation through economic incentives and innovative financing. Countries discussed the critical role of finance ministries in leveraging and utilizing economic incentives for climate goals. Country platforms also emerged as essential tools in this discussion, enabling effective coordination for NDC implementation by aligning diverse stakeholders – such as finance and environment ministries, multilateral development banks, and the private sector – around climate projects. These platforms streamline efforts, helping countries accelerate project development and execution while having inter-ministerial collaboration in place or as a priority for supporting the enabling environment, with finance ministries playing a central coordinating role.

3. Supporting countries in mobilizing financing for NDCs and NAPs through funding partnerships and private sector engagement

The third session emphasized the critical need to mobilize substantial climate finance to meet the Paris Agreement goals, focusing on a mixed-finance approach tailored to different sectors and regions. According to the newly launched [third report](#) of the Independent High-Level Expert Group (IHLEG), an estimated \$2.3 trillion annually would be required by 2030 in developing economies, with around 70% expected to be financed domestically and the remainder from external sources. International development institutions and philanthropic contributions would also need to play a crucial role, with MDBs expected to contribute around \$250 billion, leveraging their expertise to de-risk investments through blended finance and guarantees, and inspiring confidence among private investors to support public climate initiatives, as stated in the IHLEG report. Issuing green bonds domestically and internationally also provides revenue streams for green projects while signaling the alignment of economic policies with climate objectives. While private sector investment is projected to cover about half of the required funds, particularly in areas like energy, transport and infrastructure, the use of public funds may be more appropriate for sectors such as agriculture, fisheries, forestry, and other land use.

Partners also emphasized the need to align national budgets with NDCs to support climate objectives. The session highlighted that without integration into national financial priorities, NDCs alone are insufficient to drive climate action, as this alignment is essential to crowd in private investment for adaptation and mitigation. Finance ministries, particularly in developing economies, need enhanced capacity to make NDCs investable and implementable. Many ministries face human resource and coordination challenges, which international support and partnerships are working to help address. Overall, the conversation underscored the importance of clear and coordinated frameworks, increased ambition in climate commitments, and practical implementation strategies that engage both the public and private sectors in financing sustainable development and climate agendas. This is aligned with ongoing discussions at COP29 on Article 6 and coordination for the upcoming NDC updates ahead of COP30 in Belém, Brazil. Furthermore, the discussions highlighted the need and favorable momentum to agree on a fair, ambitious, and achievable New Collective Quantified Goal (NCQG) in Baku. The NCQG was recognized as instrumental in progressing the achievement of the Paris Agreement's goals and take into account the pressing needs and priorities of developing countries.

The Ministerial Meeting was closed by incoming Co-Chair Uganda, current Co-Chair Indonesia, and COP29 President Azerbaijan. Uganda emphasized the strong alignment with the priorities outlined in the Coalition's [Climate Action Statement 2024](#), presented last month at the 12th Ministerial Meeting in Washington D.C. Indonesia closed the meeting by calling all members to turn the Climate Action Statement into concrete projects that can be coordinated with the Coalition's institutional partners to support climate action efforts by Ministries of Finance. Finally, the Finance Minister of Azerbaijan shared strong examples of the country's climate finance leadership and welcomed the important collaboration with the Coalition.

The Deputies of the Coalition will convene for an annual strategic planning meeting in February 2025 in Yogyakarta, Indonesia. The 13th Ministerial Meeting of the Coalition of Finance Ministers for Climate Action will take place during the IMF/World Bank Spring Meetings in April 2025.