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COP26 Call for Climate Action Announcements from Private Finance Institutions

The COP26 Presidency, Mark Carney's COP26 Private Finance Hub and the High Level Climate Action Champions are calling for private financial institutions to announce new ambitious actions at COP26.

The commitments, strategies and initiatives unveiled by financial institutions at Glasgow can be decisive in turning the tide on climate change. We are now only a few weeks out from the summit, and the world is looking for concrete actions to put a zero-carbon world within reach.

Leadership in the private financial sector comes at a critical juncture. The [IPCC's Sixth Assessment Report](#)^[1] is a stark and sober reflection of the insufficient pace of climate action to date. Without rapid and drastic reductions in emissions this decade, we will fail to deliver the promise of the Paris Agreement, putting capital, communities and future generations at risk. The International Energy Agency's (IEA) *Net Zero by 2050*, highlights the need for a total transformation of the energy systems that underpin our economies^[2]. **The COP Presidency, Mark Carney's COP26 Private Finance Hub and the High Level Climate Action Champions are therefore calling for private finance institutions to make clear commitments for COP.**

The focus at Glasgow will be on new action. Many institutions are already planning to use the platform of COP to advance action. By coalescing around a set of clear outcomes, financial institutions can build critical momentum amongst countries and businesses to secure a resilient, zero carbon future. If your organisation is planning to make one of the following types of commitments, please email fccm@climatechampions.team. We will need evidence of board and/or executive approval, as well as details of the pledge, in order to help amplify any commitments.

Areas of focus:

1. Credibly commit to net zero by joining the relevant Race to Zero alliance within the [Glasgow Financial Alliance for Net Zero](#) (GFANZ).

Leading GFANZ members should publish by Glasgow an ambitious science-based near-term target (2025/2030) consistent with 1.5 degrees:

- Prioritising sectors where the institution can have the most impact, ie most GHG-intensive sectors within their portfolios;



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- Drawing on sectoral net zero pathways analysis;
- Committing to absolute or intensity-based emissions reductions and to financing transformation and solutions; and
- Engagement with the real economy on corporate net zero transition plans.

2. New finance in developing countries and emerging markets for net zero alignment and adaptation.

Significant or innovative new investments into net zero carbon and climate resilience projects, technologies or markets that contribute to bringing countries, subnational entities and the private sector on a climate-resilient, net zero pathway. This could include:

- Announcements of immediate capital allocations for net zero and climate-resilient activities, and significant or innovative new investments;
- Public-Private Partnerships that result in tangible investment outcomes; and
- Contributions to initiatives that help mobilise the trillions in investment capital needed, e.g. through increased cooperation with Multilateral Development Banks, policy dialogue, deployment of new and scaled up investment vehicles, or capital market development.

3. Coal phase out – all financial institutions to demonstrate leadership by urgently phasing out of financing for coal. All should sign up to the [Powering Past Coal Alliance Finance Principles](#) as a starting point, and follow science-based timelines for phase out.

- Leading GFANZ members should make early, robust coal phase out announcements and encourage others to come forward. In doing so, GFANZ members should consider implications of the IEA's net zero analysis for the energy system and all sectors of the economy.

4. Nature-positive finance - ambitious and rigorous commitments by COP26 should include:

- Committing to best efforts to eliminate agricultural commodity-driven deforestation impacts of the companies in investment portfolios and in financing activities by 2025, by signing on to the Financial Sector Commitment Letter on Eliminating Commodity-driven Deforestation



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[*commitment letter and further information available by contacting deforestationfree@climatechampions.team*];

- Committing to become 'nature positive' by 2030, including by reversing biodiversity loss associated with investment and lending portfolios; and
- Announcing material new investments in nature-based solutions.

^[1] [Sixth Assessment Report — IPCC](#)

^[2] <https://www.iea.org/reports/net-zero-by-2050>