

# GUIDE FOR COP 29 NEGOTIATORS



**GLOBAL SUSTAINABLE**  
INVESTMENT ALLIANCE

# GUIDE FOR COP 29 NEGOTIATORS

**As negotiators gather for COP29 in Baku, Azerbaijan, this guide provides critical insights and actionable strategies to align global finance with the Paris Climate Agreement objectives, addressing key barriers and unlocking opportunities to drive transformative climate action.**

## INTRODUCTION

This guide was developed alongside the report, ***Transforming Global Finance for Climate Action: Addressing Misaligned Incentives and Unlocking Opportunities***, in advance of COP 29, in Baku, Azerbaijan. The goal of this guide is to provide key actors with example steps needed to align global finance with the goals of the Paris Climate Agreement. This guide was developed in consultation with key industry experts, who were asked to provide their input on the current challenges in facilitating change in the financial system, and the steps to address these barriers.

## HOW TO USE

This research serves as an initial exploration rather than an exhaustive study. It provides a foundation upon which we can build, guiding ongoing efforts to develop comprehensive strategies for addressing the significant challenges within financial and policy systems. Actions should be tailored to specific contexts and circumstances.

PIVOT refers to a framework for identifying the barriers to climate finance, developed to address the "policymaker investment dilemma". For a comprehensive explanation of these 'misaligned incentives', and associated solution sets, see the full report, *Transforming Global Finance for Climate Action: Addressing Misaligned Incentives and Unlocking Opportunities*, (2024).

## PRIORITY ACTIONS

Example actions include the following:

<b>Action</b>	<b>Rationale</b>	<b>PIVOT Connection</b>
1. Launch a "Systemic Risk Pledge" for financial institutions	To encourage the incorporation of climate-related systemic risks into core business and investment strategies	(Mis-)Valuation: Promotes accurate pricing of climate risks in financial decision-making
2. Host an Investor-Led Climate Policy Forum, showcasing investors' systems change programmes	To amplify investor voices in shaping effective climate policies, addressing issues raised in this report	Policy vacuum: Bridges the gap between investor needs and policy formulation
3. Establish a Global Transition Plan Evaluation Framework	To create a standardised approach for assessing the credibility and impact of transition plans, both governments and companies	(In)active Ownership: Enhances investor ability to evaluate and engage with corporate transition efforts
4. Establish commitments for investors to engage policymakers on a global carbon price	To work towards a globally recognised carbon pricing mechanism	(Mis-)Valuation: Addresses inconsistencies in defining and valuing sustainable investments
5. Initiate a "Long-termism in Finance" commitment	To commit signatories to restructuring incentives and metrics around long-term value creation	(Self-)Interest: Challenges short-term biases in the financial system
6. Launch a blended finance marketplace	To increase accessibility of new financial instruments that de-risk sustainable investments in emerging markets	Transition misalignment: Addresses funding gaps for climate solutions in developing economies
7. Showcase investor stewardship excellence	To share and elevate effective approaches to climate-related corporate engagement and pushback on anti-trust issues	(In)active Ownership: Promotes more impactful stewardship practices
8. Establish portfolio nature assessments	To guide the integration of nature, biodiversity and ecosystem services into investment decisions	(Mis-)Valuation: Enhances the recognition and valuation of natural capital in finance
9. Develop a climate risk governance scorecard for financial institutions	To assess and improve climate risk management at the board and executive levels of financial institutions	(Self-)Interest: Encourages stronger climate governance in financial institutions
10. Launch a systemic climate solutions fund based on, or as part of an existing vertical climate funds' mandates	To pool resources for investing in cross-cutting climate solutions that address system-wide challenges	Transition misalignment: Targets solutions that can drive broader system change





**GLOBAL SUSTAINABLE**  
INVESTMENT ALLIANCE