

UNDP FC4S 1.5° P.A.C.T: A Call to Action for Climate Leadership

COP29 Call to Action: Enhancing Climate Efforts and Aligning with 1.5°C NDCs

As the world approaches the 2025 milestone for submitting third-generation Nationally Determined Contributions (NDCs), it is imperative that financial ecosystems play a pivotal role in addressing the global climate crisis. While many financial institutions have made net-zero commitments, the lack of concrete transition plans and insufficient corporate emissions data remain significant barriers to progress. This gap hinders investment in climate solutions, resulting in less ambitious NDCs and inadequate corporate strategies for achieving climate goals.

At COP29, we call upon all financial centres and institutions to take meaningful action to support the development and implementation of 1.5°C-aligned NDCs. Time is of the essence. The private sector must rise to the challenge and actively contribute to closing the Sustainable Development Goal (SDG) financing gap. Failure to act now risks the long-term sustainability of the global economy and our planet.

Strengthening Climate Commitments

We urge financial institutions to take bold steps toward advancing their climate efforts by developing comprehensive transition plans that prioritize clear and actionable pathways to achieving net-zero emissions. These plans should particularly focus on small and medium-sized enterprises (SMEs) and companies in emerging markets and developing economies (EMDEs), ensuring that climate action is accessible and integrated into national climate frameworks.

Improving the collection, reporting, and analysis of corporate emissions data is equally essential. High-quality data will drive informed investment decisions and enable the development of more ambitious and attainable NDCs. By increasing transparency, financial institutions can accelerate investments in sustainable finance, especially in high-impact areas like renewable energy, climate-resilient infrastructure, and green technology.

Collaboration with governments and policymakers is also critical. Financial institutions must engage with national governments to co-create NDCs that align public and private sector efforts, ensuring cohesive strategies that meet ambitious climate targets. Strategic partnerships will pave the way for the private sector to mobilize significant financing and push the boundaries of sustainable investments.

The FC4S Call to Action

FC4S is committed to leading by example through the launch of the 1.5° P.A.C.T. (Partnership for Action on Climate Transition). This programme, developed in collaboration with key partners and members, aims to be the largest national-level mobilization of the financial sector to enhance NDC ambition. Through the FC4S network, encompassing 44 members and the UNDP's 170 country offices, we are working to ensure that financial institutions have the tools and platforms they need to take bold climate action.

The FC4S 1.5° P.A.C.T. programme is built on four core activities:

- **Assessing** the current state of transition finance across financial centres. A diagnostic process will provide a comprehensive evaluation of how well financial systems are equipped to support climate action, identifying both strengths and areas needing improvement. By understanding the existing financing landscape, we can direct efforts where they are most urgently required.
- **Analysing** how financial institutions align their investment portfolios with national climate goals outlined in NDCs. This analysis will help identify gaps between current financial practices and the targets needed to limit global warming to 1.5°C.
- Developing clear and actionable transition finance **strategies**. These strategies will guide financial centres in creating step-by-step plans to facilitate resource mobilization for climate action. A Finance Tracker/Dashboard will be established to monitor progress, ensuring that financial centres remain on course to meet their NDC-related targets.
- Fostering global collaboration by creating **platforms** for sharing knowledge and best practices. Through the Forum for Action on Climate Transition (FACT), financial centres and institutions will be able to collaborate, exchange experiences, and engage with key international organizations, including the G20, G7, APEC, ASEAN, and the Coalition of Finance Ministers for Climate Action, ensuring that efforts are coordinated and mutually reinforcing on a global scale

A Global Call for Collective Action

The FC4S 1.5° P.A.C.T. exemplifies the power of collective action. We invite all financial centres, institutions, and policymakers to join us in this transformative effort to drive climate action and make the 1.5°C target a reality. As part of this momentum, we look forward to the FC4S Annual General Meeting in early 2025, where members will convene to solidify their commitments and collaborate on the next steps of the programme. Together, we can build a resilient, sustainable global economy that benefits all.