



NET-ZERO ASSET OWNER ALLIANCE

Transition Financing Track – All Members Call

29 November 2023





Agenda

1. Please share your 2024 Track workplan ideas by Nov 30
2. Feedback time: wishes for the Track
3. Update by Eva-Maria Zagode: Scaling Private Capital Mobilization
4. AOB

What would you like to see in the new 2024 NZAOA workplan?

What would you like to do, how do you prefer to contribute, next steps in the process?

Feedback Time

Please share your feedback and wishes for the NZAOA Financing the Net-Zero Transition Track

Please kindly share your feedback directed to this Track

Hitherto received Track member impressions of what worked well and areas of improvement

Live polling: [Convergence](#) usage among Track members?

Where do you see room for improvement and key priorities for the Track to be included in the 2024 work planning:

- Too many different working groups
- Fewer meetings and merging some work streams to a) improve efficiency & coordination, b) ensure as many participants as possible join calls
- Increase the communication on sub-working groups priorities and current topics
- Share best practices

What do you think worked well 2023 at the Track:

- Transparent communication and coordination
- Good and open discussions among participants, meetings well-prepared
- Good collaboration with Anthropocene Fixed Income Institute (AFII)

Blended Finance Working Group Update by Eva-Maria Zagode

- Brief overview of select activities
- Call to Action: Scaling Private Capital Mobilization

Brief overview of select activities

Selection of publications, engagements and webinars

2021

Publications/ Engagements

Discussion Paper on Scaling Blended Finance [\(link to paper\)](#)

The paper investigated the obstacles to investing in climate solutions in emerging markets and arguing that blended finance vehicles can provide the necessary structures to help close the existing funding gaps.

Webinars

NZAOA Blended Finance call to action: 5 Asset Managers present their vehicles [\(video\)](#)/[\(slides\)](#)

2022

Publications/ Engagements

Internal Report on the reflections of the G7 Workshop on 'Scaling Blended Finance' [\(link to report\)](#)

NZAOA convened a high-level workshop in June 2022 in Berlin to discuss 'Scaling Blended Finance' with leading actors and thinkers across the field of blended finance.

Call on Policymakers to Support Scaling Blended Finance [\(link to call to action\)](#)

The Alliance outlines five solutions that would bring about systemic change and create an investment environment where capital can flow to where it is most needed.

Webinars

Scaling Blended Finance for Climate Solution Investment in Emerging Markets [\(link\)](#)

The agenda included a keynote address by Selwin Hart, UN Special Adviser to the Secretary-General on Climate Action and Just Transition

NZAOA Blended Finance call to action: 3 Asset Managers present their vehicles [\(video\)](#)/[\(slides\)](#)

2023

Publications/ Engagements

NZAOA-hosted roundtable discussion at the Munich Security Conference [\(link for more info\)](#)

NZAOA Chair highlights importance of a just energy transition at Munich Security Conference

NZAOA urges G7 to join its call for MDB and DFI reform [\(link for more info\)](#)

Ahead of the World Bank Spring Meetings, the Chair of the NZAOA addressed a letter to relevant ministers of the G7, urging them to call for a reform of MDBs and DFIs.

Webinars

IFC Webinar [\(link\)](#)/[\(slides\)](#)

Mobilizing and intermediating concessional finance through successful partnerships that work toward the transition to a low-carbon future.

NZAOA Blended Finance call to action: 3 Asset Managers present their vehicles [\(video\)](#)/[\(slides\)](#)

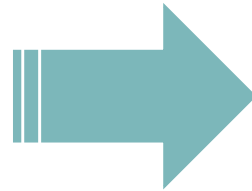
Call to Action: Scaling Private Capital Mobilization

Call to Action to heads of state, policymakers and MDB officials

Calling for scaling private capital mobilization and MDB reform

NZAOA convened initiative to come together among leading groups of global financial institutions to ensure a more powerful message.

Led by the NZAOA blended finance working group, the joint Call to Action includes the following groups :



Before, during and after COP

Keeping the momentum. By collaborating with several investor groups, NZAOA aims to amplify the message and ensure further outreach ahead of, during and beyond COP28.¹

- **Release date: 30 November at 9am CET: [\(link\)](#)²**
- **Please use the media toolkit in this [link](#) to promote the CtA and the talking points contained within it when discussing it with media outlets and in events.**



¹ With a total of 10 Investor groups this Call to Action is one of the most, if not the most, broadly supported private market initiative in this space.

² The link will only go live on the specific date and time.

Call to Action: Scaling Private Capital Mobilization

Main barriers identified

- 1) Inadequate project pipelines
- 2) Risks too high relative to returns
- 3) Data limitations



Select recommendations proposed

To improve bankable deal flow:

- Streamline existing pipeline and boost new project pipeline facilities.
- MDBs to engage the private sector earlier in project lifestyles, enable private sector access to project preparation facilities, and expand policy assistance to governments and support country platforms.

To address longstanding risks and investment barriers:

- Make the increase of the Private Capital Mobilization (PCM) a central objective of MDB operations by establishing targets and/or incentives and by MDBs taking more junior positions in the capital stack.
- Public institutions to expand the quantum, quality, availability, and accessibility of instruments that enable appropriate and effective risk management and mitigation.
- Leverage synergies and efficiencies by aggregating catalytic capital from multiple sources.
- Explore and implement measures to increase the availability of cost-effective hedging instruments

To ensure “additionality” of MDB financing:

- MDBs to move to an originate-and-distribute model (where appropriate), increase the use of demand driven standard-form guarantees, and work collaboratively in the context of country platforms.

To improve data transparency and quality of risk assessments, MDBs to:

- Ensure uniformity in assessing risk across MDBs and work more closely with rating agencies
- Enable enhanced and speedy access to the GEMs Database,
- explore working with regulators and standard setters to ensure adequate capital requirements.

Q&A, AOB
