# COP26 private finance strategy to drive Whole Economy Transition

**Overarching goal:** Every financial decision takes climate change into account

## Reporting

- Private sector to refine TCFD climate-related financial disclosure to increase quantity and quality of reporting
- Agree potential paths to mandatory reporting at domestic and international levels
- Build coalitions of countries who mandate reporting and companies committed to full climate disclosures

## Risk Management

- Assess the resilience of firm’s strategies to net zero transition through stress tests
- Develop open source, business-relevant reference scenarios for regulators, financial firms and businesses to test strategic resilience
- Establish coalition of central banks and regulators committed to issuing guidance on risk management and running stress tests

## Return

- Enable investors to make informed decisions on whether companies and portfolios are transition ready
- Agree metrics to measure net zero/alignment of investment portfolios
- Build coalition of financial institutions that commit to net zero alignment and measurement and disclosure of progress

## MDBs/DFIs

- Encourage MDBs to report their own emissions and exposure to climate risks, in line with TCFD
- Realise MDBs’ commitments to transition plans to achieve Paris Alignment
- Explore rapid expansion of blended financing for climate resilience, adaptation and mitigation

## Innovative Finance

- Work with the private sector to promote the most promising and impactful financial innovations in sustainable finance (including transition bonds, contingent climate securitisations, and the scaling up of rapid private markets for carbon offsets and nature-based solutions)