Outcomes of the Nordic Platform for Mobilising Climate Finance

south pole

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Nordic governments have realised that, in order to solve the climate crisis we need all hands on deck and collaboration with all industries. As a result, the Nordic Platform for Mobilizing Climate Finance was created. Its goal is to share good practices among private sector players and obtain insights into the role of Nordic governments on how they can support, empower and create the best conditions to mobilise climate action and finance at the scale and pace needed to combat climate change.

As part of this effort, the Platform, led by South Pole and Gaia, brought together Nordic companies, investors, civil society organisations and thought leaders for two tailored webinar series during the fall of 2020. The goal of the series was to spark a dialogue and to understand and discuss the most prevalent climate-related private sector topics and what measures are needed from the nordic governments.

1. Financial sector
    - EU Taxonomy
    - Climate-related investment strategy
    - Debt opportunities
    - Climate risk and data
2. Corporate sector
    - Target setting and reduction roadmap
    - Low carbon supply chains
    - Physical and transition risks

What formed the high-level narrative were two Nordic policy developments, namely: 1) the Nordic Prime Minister's 2019 Declaration on Nordic Climate Neutrality and 2) the Helsinki Principles through the Coalition of Finance Ministers for Climate Action. Yet, wider EU regulatory developments such as the EU Action Plan on Sustainable also took a prominent role.

Key takeaways

The webinars led to a wide array of discussions and learnings amongst the diverse set of stakeholders, as summarised below:

Nordic investors and corporates are keen to lead the way in the climate transition, but additional guidance is needed.

There was a clear consensus that the Nordic governments can help facilitate the climate transition for the local financial and corporate sector. Exactly what is needed from the governmental side varied between the different topics discussed. Some examples of useful interventions were to unlock more funding, create awareness and reform taxes.

Governments can contribute to climate data standardisation.

In terms of climate data availability, it was clear that there is a strong demand for easily accessible primary and/ or secondary data. It is important that governments provide guidance on what type of data should be used for climate assessments. Governments could, for example, act as a link between research centers and the private sector, endorse standardisation and allow for access to the latest data and databases.

The Nordic private sector embraces collaborative platforms to foster progress.

The need for knowledge exchange platforms was raised multiple times. Especially the need for platforms in a non-competitive environment where companies and investors can discuss good practices and share knowledge to nurture the climate transition. Ideally, this could foster joint industry initiatives. Furthermore, for specific regulations and new tools and incentives, such as the EU taxonomy, EU climate benchmarks and regulations, a platform providing knowledge and guidance seems to be in high demand.

A common reporting methodology

Both series found that incorporating climate change as a strategic and long-term risk and opportunity factor is key. Most notably by publishing a TCFD[1] report. There was general consensus that standardisation should take place along a common climate reporting framework. Although guidance is needed on what type of data should be used and how to identify, communicate and report climate risks, the speakers agreed that there is no need to reinvent the wheel and come up with new reporting frameworks.

Next steps

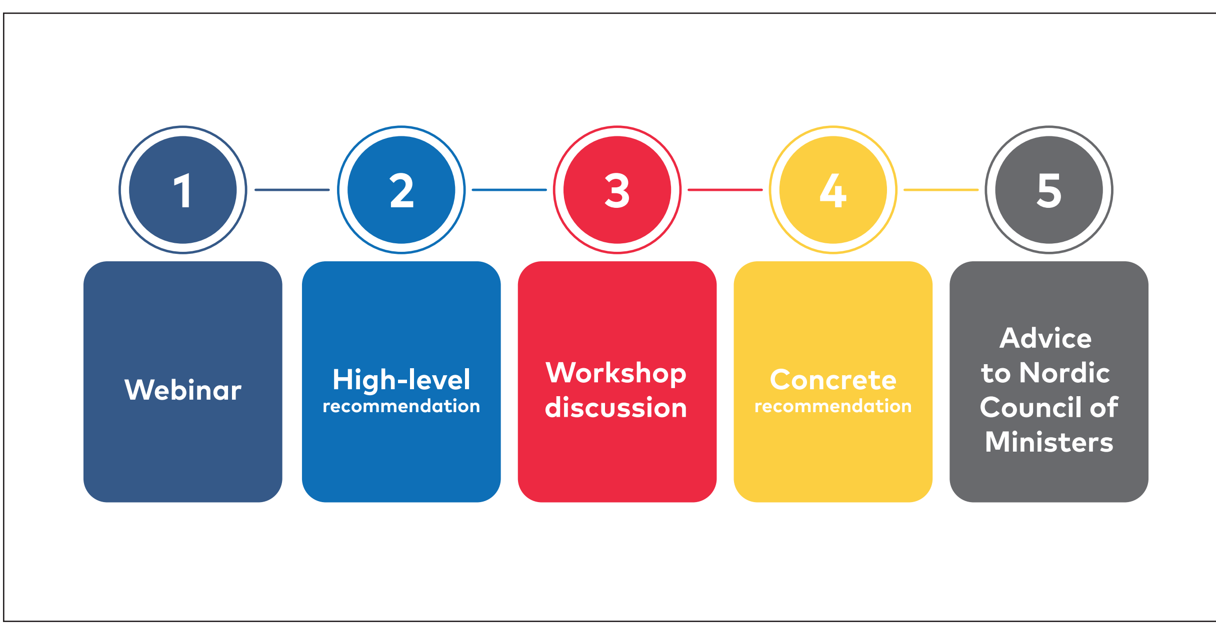
The findings from the webinar series showed that the Nordic private sector is ready to lead in the climate transition, that there is a need for improved data availability and standardisation, platforms for knowledge sharing and a common reporting methodology. The Nordic governments focus should lie on standardising an existing climate reporting framework such as TCFD.

With this background, a digital workshop will be organised on February 25th, 2021 with key Nordic stakeholders such as companies, investors, NGO's, regulators and governments.

The following questions will be discussed:

- What could the role of the Nordic governments be in facilitating TCFD or other climate frameworks?
- Which governmental instrument(s) to prioritise?
- How to promote TCFD or other climate frameworks through this/ these instrument(s)?

Based on the outcomes, South Pole and Gaia will analyse and aggregate the results in order to provide the Nordic governments with recommendations on TCFD standardisation in a Nordic context.



[1] TCFD: Task Force on Climate-related Financial Disclosures