11th Meeting of the San Giorgio Group

A Coalition of the Serious and Hopeful

Prepared by CPI, drawing on the input and discussions (under Chatham House rules) of the San Giorgio Group attendees.

In March 2025, 80 global climate finance leaders gathered for the 11th meeting of the San Giorgio Group. CPI has produced this summary of the discussions, with immense gratitude to the candor, confidence, and creativity of the participants.

Amidst a pivotal and perilous moment for climate finance and policy—including the world breaching 1.5C for the first time—climate veterans reminded the group that the climate finance community has faced significant headwinds in the past, yet banded together to find a path forward regardless. In this spirit of pragmatic determination, everyone rolled up their sleeves and got to work.

REDIRECTING MOMENTUM AMIDST GEOPOLITICAL UNCERTAINTY

In 2025, our community must come together to reinforce the story of how economic growth and climate action are not only compatible but codependent. We must tell this story in ways that resonate with policymakers, investors, and constituents. We must reinforce the narrative that climate, development, and nature work together to create opportunity and security for citizens and countries. Finally, we need to abandon the "doom and gloom" narrative that does not motivate large numbers of people to act. An aspirational agenda, anchored in local perspectives—of clean air and water, good jobs, affordable energy, and responsive government that supports a better future for our children—can meet the moment.

However, it is not just the narrative we need to adjust, but also our strategies. The current upheaval opens up opportunities to change direction. It's essential to admit what's not working well and redirect those resources to what has strong potential.

THE FUTURE OF INTERNATIONAL COOPERATION

Our existing multilateral institutions and processes were not built for today's challenges. They are shifting to adapt, but it will take time. In parallel, the current disruption of the multilateral system is an opportunity to reshape it and render it more effective, making better use of public capital. This is an opportunity to also accelerate new cooperation mechanisms that are demonstrating value.

Over the last few years, a range of coalitions have emerged outside the 20th century institutions to implement high-impact work in more focused ways. The Bridgetown Initiative, The V20 Group, Finance in Common, Coalition of Finance Ministers for Climate Action, and Network for Greening the Financial System—to name just a few—are creating new pathways for cooperation and coordinated action. Regional collaborations will also increase in importance as the geopolitical paradigm shifts. Devoting more time, energy, and financial support to these green shoots can accelerate progress in our current uncertain environment.

We must also make this year's key international moments a success, including Finance for Development, the G20 meetings, and COP30. The Brazil COP30 presidency is already demonstrating strong leadership, particularly on connecting climate and nature, and reminding us that the many hard negotiations of the past few COPs have created a solid framework for action. Strong NDCs need to be linked to investment roadmaps. For example, Brazil's most recent NDC is both the foundational document connecting its climate action and development and its investment roadmap, while linking to its Brazil Ecological Transformation Investment Platform (BIP).

At the International Conference on Financing for Development in Seville this July, ODA needs to be redefined urgently, as it was not set up to originate quality projects, mobilize private capital, or efficiently deliver guarantees. We must also protect the most vulnerable around the world. The South African G20 presidency plans to shine a light on country platforms, the most efficient way to deliver clear signals to investors and donors about the sectors and types of investments that will be best supported by a country's policy, economic, and finance environment. The MDBs and bilateral DFIs need to continue their evolution towards becoming capital mobilizers more than deployers. They also need to make decisions faster, which means shareholders need to streamline the many and often conflicting requirements they place on these institutions.

MOBILIZING DOMESTIC RESOURCES

Constrained international resources, particularly concessional funds, alongside growing savings in developing economies, are likely to usher in a new era in which multilateral institutions work to leverage domestic resources far more effectively, including public development and commercial banks. Recent success stories for solar deployment in Pakistan, Viet Nam, and the Philippines demonstrate that domestic markets, including residential customers and local financial institutions, are well positioned to invest in renewable energy, especially when policy and finance conditions are optimized to support deployment.

Strengthening regional and national institutions to take on more capacity, especially for funding and resource management, is an area of significant potential for climate goals and for job creation and other national development goals. Perhaps the most promising opportunity is using international resources to leverage funding for, and by, National Development Banks (NDBs) and the broader network of Public Development Banks (PDBs). Especially considering the increased focus on national priorities and the need to better engage and mobilize domestic markets and capital, NDBs are well positioned to serve as the nexus for aligning international capital with domestic priorities and policies, and building the pipeline of investable climate and sustainable projects.

NDBs need guidance and support to maximize their chances for success. They need to be positioned and empowered so other domestic financial institutions see the opportunities opened up by NDBs, and see NDBs as collaborators, not competitors. Properly structured and governed green banks (independent or within existing institutions) can play a critical role here. With rapid urbanization happening globally, subnational climate finance is an essential component of responding to climate change. NDBs can also play a pivotal role in supporting cities and other subnational entities in raising and deploying their own capital to make climate investments.

RETHINKING THE ROLE OF PRIVATE FINANCE: WE'RE NOT IN GLASGOW ANYMORE

Reports of the death of the net zero alliances have been greatly exaggerated. However, these alliances are regrouping and refining focus. While stated net zero targets by financial institutions may be challenging in the short term, their focus on understanding transition risks and optimizing returns in the inevitable energy transition remains unchanged. We continue to witness record-breaking deployment of renewable energy and clean technologies, even while many banks are backing off their stated exit deadlines from fossil fuel finance (coal in particular). The cost of clean energy continues to decline and investment continues to scale—over 90% of new power generation capacity built in 2024 was renewable. Clean energy investment continues to grow at a faster rate than fossil fuel investment. These structural market changes will continue, and will outlast political cycles.

Financial innovation is unlocking new pathways for climate-positive capital. The insurance industry is stepping up with creative options, for example, using insurance products as contingent risk capital in the financing of projects. Guarantee mechanisms are being consolidated and developed for areas where they don't exist. Financial institutions are stepping up in meaningful ways to integrate climate considerations into their operations, because sustained economic growth can no longer happen without climate-related action. Technology and supply chain investment will be key sources of sustained economic growth for developing economies.

THE 1.5C REALITY: ADAPT, ADAPT, ADAPT

We are now clearly seeing the economic and social impacts of each 0.1C increase in global climate temperature: millions are dying and displaced; economic losses continue to break records. This is underlining the urgency to scale finance for adaptation.

Adaptation finance is growing consistently every year, and there are strong areas of progress: there is better quantification of physical climate risk; early warning systems and other technologies are saving lives and reducing other socioeconomic harms; local community engagement and community-led resilience efforts are becoming more common. But improvements in finance and implementation are not keeping pace with global temperature rise and its impact.

While data on physical climate risk is improving, individuals, governments, and investors need improved access to risk information on time frames that are material to them, in order to better price and plan for those risks and to assess insurability of assets.

The insurance industry can play a proactive role here. While we are seeing more engagement from the insurance sector to develop new products that address adaptation issues, more collaboration within the industry and with key external stakeholders—governments, DFIs, public development banks, and commercial FIs—could help accelerate adoption.

DFIs can bring in insurance at the beginning to play a much more strategic and systemic role. Insurance regulators could coordinate with other national regulators, and also between insurance regulators across countries and regions, to improve efficiency, consistency, and data availability. This could help facilitate a total shift in the forward price curve.

While the insurance industry can be more proactive, and is starting to do more, the gap in adaptation finance we see is not solely an insurance issue. Insurance is valuable but alone is not a magic solution. It needs to be part of a package of adaptation finance solutions. We can transfer risk, but we also must reduce risk. For example, DFI infrastructure strategy must center resilience and adaptation. And while there are many more significant private-sector opportunities in adaptation to scale, a portion of adaptation will fall outside the commercial realm. Philanthropy, which has not invested heavily in adaptation to date, has an opportunity to support public investments, while also helping to catalyze private investment. NGOs can play a critical role in guiding philanthropy to where it can create the highest impact. Public policy at the national and subnational levels needs to encourage integrated planning and implementation: adaptation is not about incremental cost but rather about changing the way we do things.

ENGAGING CITIZENS

It's become increasingly clear that we do not have the winning narrative. While awareness of climate issues is growing globally, it is still low on the list of voter priorities in most countries. International development funding is an even harder sell.

Aligning climate finance with development priorities (economic opportunity, affordability and price stability, health) and incorporating constituent-level narratives into our work creates a stronger framework for mobilizing domestic policy and capital. Rather than framing our work around longer-term abstract concepts ("net zero," "Paris alignment"), policymakers and constituents need to understand the impact of our work in terms of the kitchen-table issues that impact daily lives: protecting the planet now is essential to create a better living for all, to ensure everyone has healthy, affordable food on their table, access to good jobs and economic opportunity, protecting our families and homes from increasingly severe weather. In addition to shifting the narrative around our own work, this could also include more engagement with advocacy organizations and expansion of retail-level products like green bonds and mortgages.

We need to make the case to Main Street just as clearly as we make the case to Wall Street.

THE SAN GIORGIO GROUP AGENDA FOR 2025

The following outlines an agenda of concrete, practical actions that can be taken in 2025 to accelerate progress in climate finance.

MAKE COP30 MATTER

Focus on the economic opportunities that can better enable agreement at COP30.

- Use key convenings over the year to maximize the chances of announcing multiple country platforms at COP30. Introduce a template for applicable country-led platforms by midyear to help build momentum and focus discussion.
- Start to operationalize the Baku-to-Belem Roadmap. The Roadmap provides a very clear and usable framework for implementing the New Collective Quantified Goal (NCQG). COP30 should start to fill in the Roadmap with implementable short- and medium-term goals to achieve the USD 300 billion floor and USD 1.3 trillion goal.

LAUNCH 10-15 ADDITIONAL COUNTRY PLATFORMS IN PARTNERSHIP WITH DOMESTIC FINANCIAL INSTITUTIONS

Countries must initiate and lead efforts to launch country platforms, and stakeholders must rally to support these efforts.

- Leverage NDCs, NAPs, learnings from launching the first round of JETPs, and other existing planning efforts to launch country platforms that focus on national development priorities, like job creation, and involve the development of national funding vehicles.
- NDBs can partner with domestic pension funds and commercial banks on projects that are more familiar to them, for example sustainable infrastructure and water security. Things that are more familiar can attract more partners, building trust and momentum.
- Leverage the unique capabilities of bilateral DFIs. They are nimbler and likely have more headroom than MDBs. They can help make the business case for innovative solutions, especially in less mature or commercial sectors, like adaptation.
- Establish shared or aligned KPIs for all country platform stakeholders, with a laser focus on delivery at scale, ensuring every public dollar invested mobilizes many multiples of private capital.

MAKE PUBLIC DEVELOPMENT BANKS AN ASSET CLASS

NDBs are ideally suited to align climate and development, build pipelines of investable projects, connect supply with demand, and mobilize domestic capital.

- Leverage international resources to enhance NDBs and build capacity to issue bonds, reducing the cost of capital.
- Strengthen NDB balance sheets through equity capital or subordinated debt to help NDBs realize their potential faster.

REFORM MDB AND DFI DILIGENCE AND REPORTING REQUIREMENTS

There are near-term opportunities to accelerate the MDB and bilateral DFI pivot towards greater focus on private and domestic capital mobilization.

- Leverage existing shareholder talks to prioritize mandates for simplification, speed, efficiency. Give management breathing room to make mistakes.
- Place private capital at the front of deals. MDBs should continue the pivot away from direct project finance and retail to catalytic capital and wholesale. Make private capital mobilization a top KPI.
- Scale requires simplicity and efficiency. Collaborate on unified term sheets for investments, due diligence frameworks to effect them, and metrics to monitor, so diligence efforts can be shared and joint investments can occur with less friction.
- Help DFIs create new KPIs that reflect these new priorities and better support new asset classes. There is an overreliance on MDB methodologies and KPIs that are decades old and not fit for purpose for this new environment.

CREATE A NETWORK OF INSURANCE REGULATORS FOR CLIMATE

Insurance regulators could better coordinate to improve efficiency, consistency, data availability, and sharing best practices.

- Consider establishing an insurance-regulator organization similar to the Sustainable Banking and Finance Network or Network for Greening the Financial System.

PURSUE UNEXPECTED PARTNERSHIPS

Integrated partnerships that cover the entire stack of capital can foster change. For this to happen:

- Bring partners early into the discussions, including from the private sector.
- Engage government to improve the enabling environment for NDBs and PDBs to thrive, eg, addressing investment limitations on pensions and subnational entities. Small, politically palatable changes could open up significant pathways for better domestic financial flows.
- Explore collaboration between MDBs and export credit agencies to better align efforts on economic development priorities and improve efficiency.
- Lean into supply chains and corporate investment, including for critical minerals, clean production of components, and advanced technologies like artificial intelligence and electric vehicles. Policy reforms can both stimulate these investments and benefit from them if they advance broader economic development.
- Encourage philanthropy to step into the new paradigm. They can become direct partners with DFIs and participants in country platforms.

CONSOLIDATE LEARNING TO ACCELERATE CHANGE

There is ample evidence that things are working, but much of the work and information is still stuck in silos.

- Support efforts to consolidate learning, best practices, and toolkits, especially in areas that will be focuses for action in the next 12-24 months: insurance, guarantees, currency risk, Article 6 carbon markets.
- Look for other opportunities to bring siloed efforts together, to improve efficiency and to reinforce that we can go farther faster when we collaborate.

SHIFT THE NARRATIVE

Focus on the positive opportunities and other values that resonate with policymakers, investors, and constituents.

- Build and amplify winning narratives that meet the moment. Align climate goals with national priorities.
- Share success stories and case studies to demonstrate we can protect and heal our planet while creating opportunity.
- Explore more partnerships with advocacy organizations and other communications tools to better connect policy and finance work with the issues that voters and policymakers care about, using their language.

CONCLUSION

Winston Churchill may or may not have said "Never waste a good crisis," but regardless of its source, the climate finance leaders present at the 11th meeting of the San Giorgio Group took these words to heart.

Despite the new and daunting challenges confronting the climate agenda, this moment presents us with an opportunity to do unexpected things and make big leaps forward. The current political and economic turbulence can serve as a catalyst for ambitious action. As the above summaries and recommendations demonstrate, if we form a "coalition of the serious and hopeful," we can propose bold ideas—and pragmatic ways to implement those ideas—that can drive transformative change. The opportunity for our community to help build long-lasting prosperity and security for people and the planet is well within our reach.

We don't have a lot of time. Let's get to work.

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