

## SUMMARY

# 12<sup>th</sup> Meeting of the San Giorgio Group

March 2026

The international order is changing in ways that present real risks to global climate and development cooperation; at the same time, moments of rupture also create space to think differently, act more decisively, innovate, and forge new systems.

The [San Giorgio Group](#) convenes global leaders from government, business, and financial institutions to grapple with the most consequential challenges and opportunities in climate and sustainable finance. At the 12<sup>th</sup> meeting of the San Giorgio Group (SGG12), more than 80 leaders met to set priorities and commit to near-term, achievable actions.

SGG12 leveraged **three animating ideas to create momentum**:

- **relevance** - ensuring climate action is clearly framed around solutions that matter in people's lives;
- **resilience** - preparing for unfolding impacts, worst-case scenarios and sustaining efforts under persistent disruptions; and
- **resolve** - channeling frustration into the courage to push for change in the systems, institutions, and incentives that are no longer fit for purpose.

Against this backdrop, **discussions focused on how to expand climate-development alignment into delivery at scale**, identifying practical ways to move ideas into action, with a strong emphasis on system coherence, country-level impact, and people at the center of all of this. This requires disciplined prioritization, greater speed, and a concerted effort on actions that create systemic transformation over incremental interventions.



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# THE SGG12 AGENDA

## The SGG12 agenda is based on four themes:

- First, we must **celebrate our successes** as we've come a long way since the earliest days of climate finance. Yet we must be open to evolving and changing what hasn't worked or what no longer works.
- Second, we must **be realistic about politics but look for opportunities** for impact including in unexpected places.
- Third, we must **not let up on key issues** that have built some momentum but are not yet fully realized.
- Fourth and finally, we need **new thinking in emerging areas**.

## 1. Celebrate success

Climate finance now exceeds USD 2 trillion annually, and is expected to continue to grow despite geopolitical headwinds. The technologies underlying this rapid growth—notably renewable energy and transport electrification—are increasingly the preferred, cost-efficient choices of governments and consumers. This growth did not happen by accident, but rather by the concerted, sustained efforts of policymakers, financiers, corporates, and civil society. While we're not yet where we need to be, this extraordinary impact must be celebrated.

While CPI's global climate finance landscape analysis shows that many emerging markets and developing economies still struggle to raise and attract capital, often due to overly high costs of capital, there are many bright spots where countries are moving past the constraints to climate finance growth and resilience – and they are doing it their own way, according to their own markets and priorities. Countries as divergent as Pakistan, South Africa, Ethiopia, Brazil, and Jamaica have shown what it means to scale climate finance meaningfully.

Similarly, at the systems level, we've made extraordinary progress. The MDB CAF reforms, the FiCS global public development platform, the consolidation of guarantees at the World Bank, and the rise of country platforms all demonstrate that systems-level innovation is possible even in turbulent times, and in fact may arise from it.

## 2. Politics remain challenging, but there are opportunities for impact

It is not productive to blame politics on slowing progress. Rather, we must actively search for opportunities to continue to advance climate finance. In the next two years, a number of forums present clear opportunities to leverage and sustain ambition.

- Finance ministers have shown deep interest in advancing climate action, through the Brazil-convened **Circle of Finance Ministers**, and the **Coalition of Finance Ministers for Climate Action**. These groups must be deeply involved in the next steps of the Baku-to-Belem roadmap implementation.
- In the wake of decreasing overseas development assistance, the OECD's **Development Assistance Committee** (DAC) review process offers important opportunities to consider aid effectiveness, efficiency, and data needs.
- **The French G7 and leadership of the Finance in Common (FiCS)** network offers opportunity to increase support for public development banks and public finance institutions as market makers in climate and development.
- **The Eminent Person's Group** is considering the impacts of global prudential regulation on developing country investment and how these might be addressed in the context of global financial stability. These issues, which contribute to the high cost of capital in developing countries, influence the trajectory of climate finance.
- Asia's strengthening leadership on climate finance will take center stage at **Ecosperity** in Singapore, one of the key convenings of the year, and at the 2026 Annual Meetings of the World Bank Group and the International Monetary Fund in Bangkok.
- Looking ahead to 2027, **the COP in Ethiopia and the UK stewardship of the G20** will offer a key opportunity to advance climate and development outcomes, bringing continuity to the process.

### 3. Fully realize the potential of initiatives underway

Many initiatives have made progress in recent years but are at risk of stalling without additional attention.

#### Key foundational elements:

- **Expand data sharing, transparency, and interoperability efforts**, to improve investor confidence and better inform policy decisions. In particular, expanding access to and coverage of the GEMS database holds significant promise.
- **Increase understanding of the cost of climate impacts and how to price risks.** Develop and deploy common metrics and methodologies that improve the valuation of resilience and avoided losses. Link resilience to fiduciary duty, investment mandates, and financial performance (e.g., bond pricing, insurance premiums).

#### Systemic reforms:

- **Promote and monitor the uptake by the vertical climate and environment funds of the G20 Sustainable Financing Working Group recommendations**, including to enhance their coordination, efficiency, private sector mobilization, and division of labor. Single accreditation pathways, common MRV reporting frameworks, shared project templates, and joint treasury functions (including for FX risk management) are all areas where coordination gains are within reach.
- **Advance MDB reform**, particularly in support of catalytic instruments like guarantees and equity, updated performance incentives such as mobilization and speed of disbursement, originate to share models, de-fragmentation, and coordination via country platforms and national financing institutions. Consider how best to apply lessons from MDB reform for National Development Banks, including how to better work with credit ratings agencies.
- **Support domestic resource mobilization and country platforms** as key coordinating mechanisms to bring together domestic and international finance and policy at the country level, with finance ministries and national

financing institutions in the lead. Accelerate implementation in a critical mass of countries by improving the mechanisms by which lessons learned and best practices are shared. Help platforms move from investment wish lists to bankable pipelines aligned with real capital stacks. Engage local capital market players.

#### Instruments to reduce the cost of capital:

- **Scale the use of guarantees and insurance**, including through initiatives like the PDB guarantee hub.
- **Advance catalytic equity**, including development of the exit strategies and portfolio recycling approaches that demonstrate how equity can be deployed at speed and scale, and bring together a group of financial institutions committed to testing and scaling equity solutions.
- **Bolster market incentives like carbon markets**, including by collaborating across compliance markets, and increasing the role of public development banks.

### 4. Build new thinking and approaches

#### Don't leave behind key markets and sectors

- Grid financing needs to be accelerated nearly everywhere, and models to support that acceleration must be developed.
- Sectors that have had a more difficult time finding investment due to persistent barriers, like water, need longer term support and different models. The 2026 UN Water Conference in the UAE is a key milestone to drive results.
- Sectors that can reduce emissions substantially in the near term—notably methane—need far more attention in climate finance.
- Scale forest finance: stabilize forest carbon markets by treating permanence as a manageable financial risk rather than a disqualifying flaw; accelerate the Tropical Forest Forever Facility to unlock larger capital pools; and develop standardized investment structures that can attract institutional capital and shift restoration from bespoke pilots to an investable asset class.

## Engage in radical localism

Both the narrative and actions of the climate finance community too often do not center on people.

- **There is a need for a clear, people-centric narrative** that links climate finance to jobs, affordability, health, nature, energy security, and quality of life—not only emissions targets.
- **The affordability frame is particularly important** in engaging finance ministries, private investors, and the public in both advanced and developing economies.
- **Elevate resilience:** it's not a sunk public cost, but rather an opportunity for fiscal hardening, private investment, and connecting climate action to the impacts people are experiencing in water, extreme heat, and disasters.
- **Address subnational finance gaps** to unlock action, including by addressing subnational regulatory barriers, ensuring that subnational entities can access capital, and preparing projects that are demanded by citizens, notably in linking climate and nature.

## Row with the current

- **Artificial intelligence** is a dominant capital driver of our time. Its rapid uptake is driving the need for energy efficiency, grid reliability, advanced generation technologies, and deployment of commercially-ready clean technologies around the world. The increasing use of artificial intelligence can help address

data and other investment barriers in climate finance, such as through supporting Monitoring, Reporting and Verification (MRV) and optimizing energy systems. More thinking and experimentation is needed to understand the true potential in climate finance and policy.

- Without a dedicated climate or development mandate, many public financing institutions, such as export credit agencies (ECAs), infrastructure funds, and state-owned enterprises, are not included in climate finance discussions. They can be far better leveraged at the sectoral level to advance technology and deployment. ECAs are already focused on private sector engagement and often move faster, and could be included in country platforms. By some counts, South and Southeast Asia are home to thousands of publicly-owned funds and enterprises. Newly capitalized funds, such as the Development Finance Corporation in the U.S., are supporting sectors like critical minerals and advanced energy technology.

## Approach topics that are politically difficult but could unlock significant financing

- Topics like IMF reform, donor base, Overseas Development Assistance (ODA) graduation, and fund fragmentation and governance have proven difficult topics to advance, but should not be abandoned. In fact, in times of high volatility, unlikely coalitions can make unexpected progress.

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## LOOKING AHEAD: SAN GIORGIO GROUP IN ACTION

The solutions required to scale climate-aligned, sustainable development finance largely already exist. **The challenge now is activation**—aligning institutions, deploying capital more efficiently and effectively, and delivering results at the country level.

The San Giorgio Group, a group of hopeful realists, will continue to play a critical role as an **action-oriented platform, motivating key decision makers** to advance practical solutions, strengthen coordination across actors, reform existing solutions, and support the creativity and innovation necessary to bolster ambition and implementation in a rapidly evolving global context.

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