

Net-Zero Asset Owner Alliance Submission to the COP30 Presidency Consultations on Roadmaps

The UN-convened Net-Zero Asset Owner Alliance (NZAOA) – a group of long-term institutional investors committed to achieving net zero greenhouse gas emissions in portfolios by 2050 – welcomes the opportunity to contribute to the COP30 Presidency-led Roadmaps.

NZAOA has been an active participant in previous multilateral processes related to Paris Agreement implementation, including through joining two workshops in the Sharm el-Sheikh Dialogue, publishing two submissions to the Baku to Belém Roadmap and one on the Veredas Dialogue, and issuing a call for policy action and collaboration during COP30.¹ NZAOA welcomes the opportunity to build on this constructive engagement to date to contribute to shaping the Roadmaps. Further to this submission, NZAOA remains available to engage with the COP30 Presidency, UNFCCC and other stakeholders to support the development and finalization of these Roadmaps.

Relevance of the Global Stocktake for NZAOA signatories

The COP28 UAE Consensus established a global mandate to strengthen policy clarity, scale finance, and support a just, orderly and equitable transition. Decision 1/CMA.5 “Also recognizes the role of the private sector and highlights the need to strengthen policy guidance, incentives, regulations and enabling conditions to reach the scale of investments required to achieve a global transition towards low greenhouse gas emissions and climate-resilient development and encourages Parties to continue enhancing their enabling environments.”

To maintain positive momentum, the development of Roadmaps to ensure that the promises of the first Global Stocktake (GST1) translate into concrete delivery is a welcome step. These Roadmaps must support mobilizing investment and enable corporate action, strengthening the transition from negotiation to implementation.

The importance of policy certainty for long-term investors

Market momentum behind net zero is evident and the economic case for net zero remains strong. By the end of 2024, NZAOA signatories had deployed a total of \$743 billion in climate solutions,² representing 8% of their total AUM, showing a strong commitment to supporting the transition to a low-carbon economy. Signatories are developing innovative approaches to climate investments, including in Emerging Markets and Developing Economies (EMDEs).³

Clarity, demand signals, and visibility for investors is critical to ensure continued financial flows. Effective implementation of Nationally Determined Contributions (NDCs) and COP outcomes,

¹ See NZAOA interventions at the [First workshop in 2025 under the Sharm el-Sheikh Dialogue on Article 2, paragraph 1\(c\) of the Paris Agreement and its complementarity with Article 9 | UNFCCC](#); the [First NZAOA submission](#) and [second NZAOA submission](#) to the Baku to Belém Roadmap; and [NZAOA COP30 Call for Policy Action and Collaboration to Accelerate Climate Investments](#).

² Signatories define climate solutions and may vary from institution to institution.

³ Examples of innovative action by signatories can be found in the [NZAOA 2025 Progress Report](#).

underpinned by national policies and transparent reporting, creates clear policy signals and can help build pipelines of investable projects. Their subsequent consistent implementation builds market credibility, reduces risk, and enables long-term investors to confidently allocate capital. Policymakers and regulators can deliver this by setting strong market signals through the pricing of externalities – via taxation, levies, and/or carbon pricing mechanisms, including cap-and-trade programmes – and by establishing other incentives (e.g. subsidies) that will expedite the transition.

The GST1 emphasized the need for coherent demand side signals, accelerated renewable deployment, improved efficiency, halting and reversing deforestation and forest degradation, enhanced climate finance, and strengthened reporting – all areas where NZAOA has published detailed guidance addressing systemic risk, investment barriers, and policy enablers.

Energy transition

The core challenge of the energy transition is the global need to achieve long-term energy security by supporting affordable and equitable access to low-carbon energy and supporting environmental sustainability.

Energy security is also highly relevant for EMDEs. EMDEs face unique challenges, and their economies can be more susceptible to volatility associated with the energy transition. EMDEs with a higher proportion of newer carbon-intensive infrastructure may need to advance their respective energy transitions on a longer timescale. This consideration should inform – and potentially require the acceleration of – mitigation efforts undertaken by developed countries in light of the scientific imperative to reduce global emissions.

There also exists a need to bridge a crucial gap for the approximately 730 million people worldwide who lack electricity access.⁴ In light of this pressing requirement, the factors impacting energy transitions in EMDEs are intertwined with the simultaneous challenge of delivering a positive social impact. With the right support and finance for clean and resilient development, EMDEs can leapfrog emissions intensive pathways and deliver clean energy access.⁵ But policy and other barriers that hamper capital flows to EMDE transitions need to be unlocked and investment mobilized to support this.⁶

[NZAOA's position on the Oil and Gas Sector](#) includes a number of recommendations for policymakers and the broader industry to support an efficient and successful transition. These are segmented for industry – where investor energy transition expectations are made clear – and for regulators and policymakers to address the wider policy environment that can unlock structural shifts.

- **Regulatory certainty for demand reduction mechanisms**, including certainty over the broad trajectory of economic incentivization which allows for a better organized and more orderly transition, as well as incentives and/or requirements for conservation and energy efficiency.
- **Developing just, equitable and effective carbon pricing mechanisms**, linked to [NZAOA's position on governmental carbon pricing](#) that sets out additional design principles in depth.

⁴ IEA (2025): [Access to electricity stagnates, leaving globally 730 million in the dark.](#)

⁵ PRI (2025): [Who Invests and How: Unlocking and Mainstreaming Institutional Investment Flows to EMDEs.](#)

⁶ See the [First NZAOA submission](#) and [second NZAOA submission](#) to the Baku to Belém Roadmap.

- **Investment in zero-emission infrastructure and technologies**, including direct support for zero-emission infrastructure and technologies, with specific consideration for renewable energy, smart grids, and grid-scale energy storage, as well the electrification of mass transportation and commercial/passenger vehicles.
- **Mandatory climate reporting requirements**, which provide investors with standardized and comparable emissions-related data from companies, including scopes 1, 2 and 3 emissions reporting requirements.
- **Better coordination for public/private investment partnerships**, including through the preparation of appropriate projects by governments, the use of transition financing mechanisms (such as well-designed green bonds), and a concerted effort to increase the use of blended finance to make investments in the transition more attractive for institutional investors.

NZAOA also has a position on [Thermal Coal](#). It outlines principles that companies should use to guide their strategies in line with scientific scenarios. From a policy maker perspective, NZAOA recognizes the role of governments in shaping incentives and subsidies for thermal coal and warns of the risk of high carbon lock in and stranded assets. Governments should focus on incentivizing clean energy technologies and meeting energy needs in both developed and emerging economies with low-carbon options while supporting workers and communities impacted by the low-carbon energy transition.

Deforestation

Deforestation represents the second-largest source of annual global GHG emissions behind fossil fuel combustion, with these emissions steadily increasing over the past few decades. The GST1 recognized that enhanced efforts are needed to halt and reverse deforestation and forest degradation by 2030 to achieve mitigation in line with the Paris Agreement. The policy environment is rapidly evolving in support of this urgent imperative, and a suite of tools is available for investors and companies to assess and manage their exposure to deforestation risks. Yet further action is needed to address both the systemic and portfolio-level financial risks associated with deforestation.

In 2025, NZAOA developed [Guidelines and Recommendations for Halting Deforestation](#) which describe the factors driving deforestation and why the issue is relevant for investors; highlight recent and ongoing investor action on curbing deforestation; and outline clear guidelines for investors, as well as key recommendations for companies, policymakers, and data providers, with a particular focus on the need for joint efforts from all stakeholder groups.

In particular, NZAOA recommends that policymakers:

- integrate targets and actions for reducing and eliminating deforestation and forest conversion into national emissions reduction pathways and nature-related action plans;
- eliminate, phase-out or reform environmentally harmful subsidies;
- prohibit the import and export of commodities and goods linked to deforestation and enforce supply chain due diligence;
- Implement mandatory reporting requirements for companies, financial institutions, and sub-national governments, and support an enabling environment for traceability and transparency; and
- foster collaboration between producer (exporting) and consumer (importing) countries in support of just and equitable solutions.