



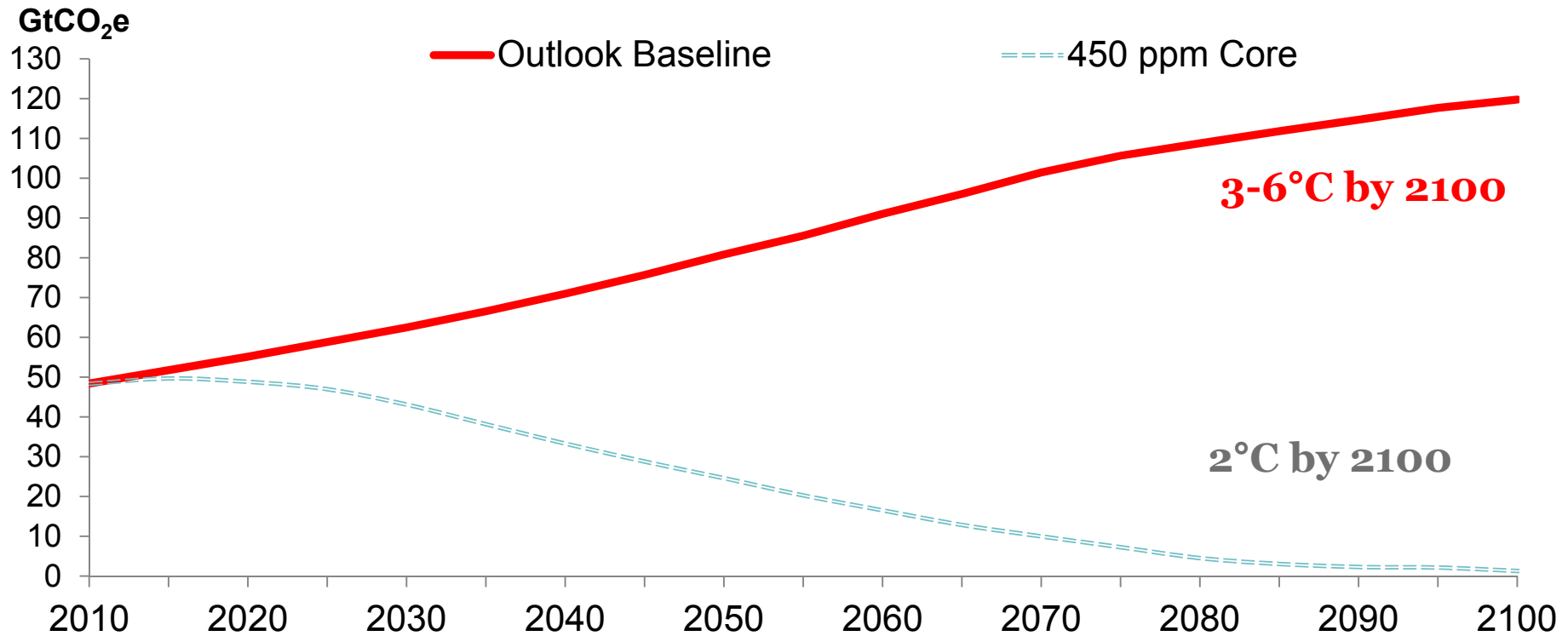
Mobilising private sector investment in low-carbon, climate-resilient infrastructure



Why expanding low-emission finance matters?

1. Closing the emission gap

GHG emissions projection – 2010-2050



Source: OECD Environment Outlook to 2050

Choices on infrastructure today locks in future levels of emissions and resilience of economies for decades or more

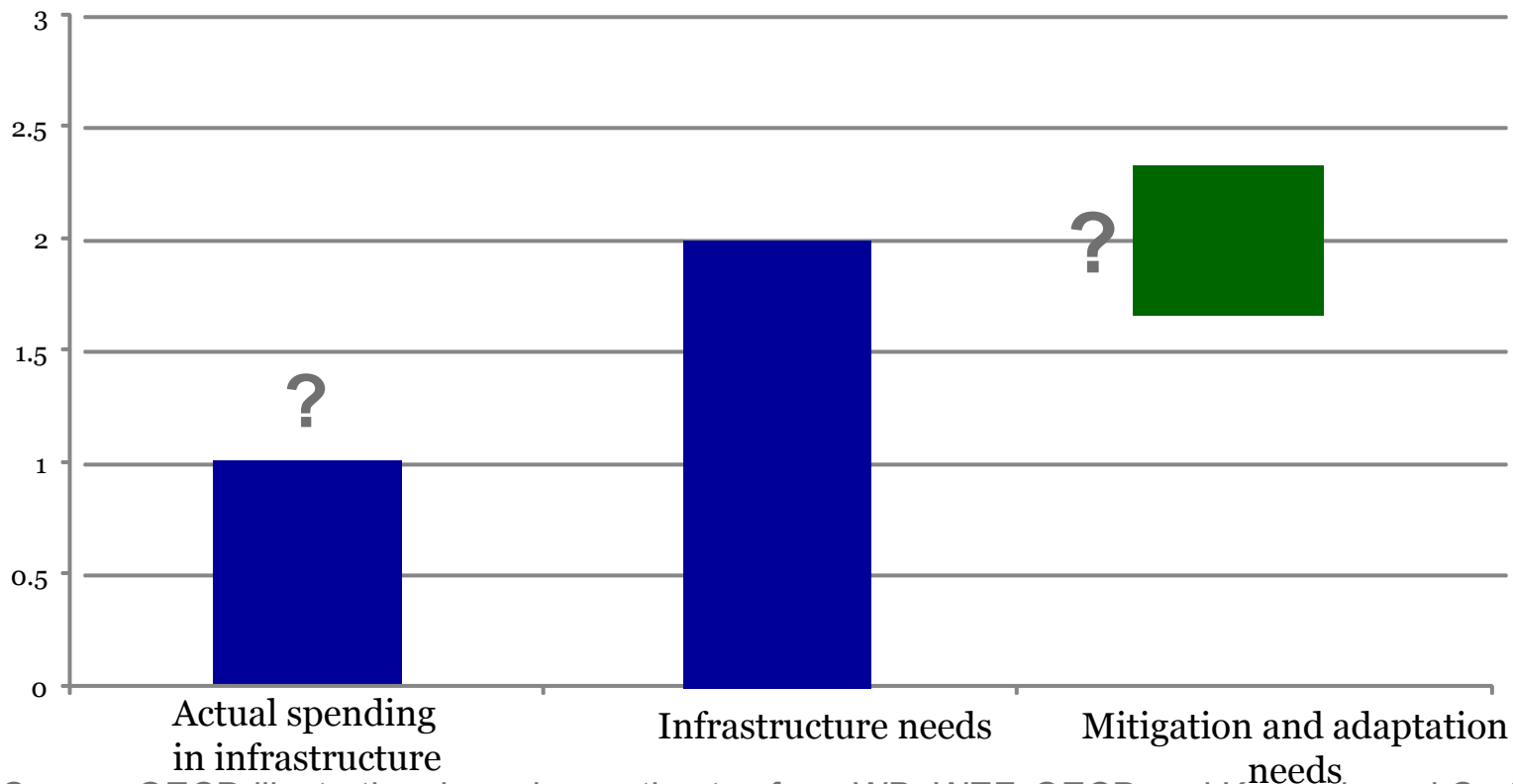


Why expanding green, low-emission finance matters?

2. Closing the financing gap

Scale-up sources of capital, public/ private, international/ domestic
Shift sources from brown to green

Infrastructure needs (annual, in USDtn illustration, need to be adapted to country context)

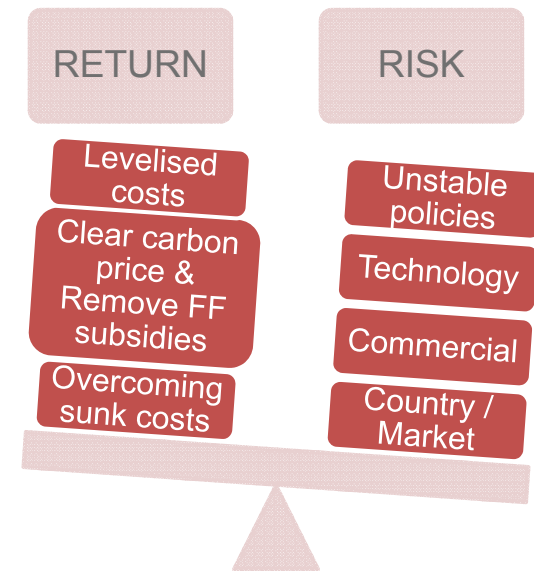


Source: OECD illustration, based on estimates from WB, WEF, OECD and Kennedy and Corfee 2012, "Mobilising private sector investment in low carbon infrastructure"



Barriers to private sector engagement in green infrastructure

1. Lack of low-carbon, climate-resilient project opportunities
2. Insufficient risk/ return value proposition vs. carbon-intensive options
3. Availability of long-term finance for green infrastructure projects



What role for governments?

1. Create a pool of low-C, climate-resilient project opportunities
2. Improve the risk-return of LCR projects
3. Use public sources of finance to mobilise the private sector



What role for governments?

The need for an integrated approach between climate and finance policies...

1. **CLEAR GOALS**
Strategic goal setting
and policy alignment

- Clear, long-term and predictable policies
- Align climate and infrastructure policies at all levels of governance
- Engage the private sector in the policy design

2. **ENABLING AND
INCENTIVISING
GREEN
INVESTMENT**

- Put a price on carbon
- Remove environmentally harmful subsidies
- Implement targeted incentives and subsidies with predictable phase-out

3. **MOBILISING
GREEN FINANCE**

- Financial policies, tools and instruments
- Leverage public sources of finance to mobilise private investment (loans, guarantees, bonds)

Source: adapted from Corfee-Morlot and al. 2012 “Towards a Green Investment Policy Framework: The Case of Low-Carbon, Climate-Resilient Infrastructure”, OECD.



What role for governments?

...and enabling factors to facilitate the transition

4. RESOURCES

Harnessing public and private resources and capacity

- R&D for green technology
- Capacity building to support LCR innovation
- Monitoring and enforcement
- Climate risk and vulnerability assessment

5. ENGAGEMENT

Promoting green business and consumer behaviour

- Information policies
- Corporate reporting
- Consumer awareness programmes
- Public outreach

Source: adapted from Corfee-Morlot and al. 2012 “Towards a Green Investment Policy Framework: The Case of Low-Carbon, Climate-Resilient Infrastructure”, OECD.



What role for governments? There is no one-size-fits-all

- **Specific country contexts** (resources and capacity, maturity of financial markets, access to international climate finance)
- **Specific sectors** (transport, energy)
- Specific challenges of **adaptation finance**
- **Staged approach:** Short-term vs. long-term responses



Tailor governments' interventions to specific challenges and capacities



THANK YOU!

www.oecd.org/env/cc/financing

For more information:

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