- Leverage its institutional capacity, expertise on climate, investment, energy, long-term financing and development finance
- Whole-of-government approach across various policy communities
- Convening power to bring together the Finance, Environment and Energy Ministries as well as Networks of institutional investors

https://www.oecd.org/cgfi/
Clean Energy Finance and Investment Mobilisation

**Aim:** help accelerate clean energy finance and investment by strengthening domestic enabling conditions

**Technology scope:** grid-scale renewable generation and energy efficiency in buildings and industry
Rapid scale up and reorientation of investments required to reach decarbonisation goals

Annual power generation investments in 2019 compared to annual investment needs SDS 2025-2030

Note: SDS = annual average investment from 2025-30 in the IEA Sustainable Development Scenario.
Why has financing climate mitigation been so challenging?

- Risk and returns may not be compelling for private investors:
  - Returns: social costs not adequately priced
  - A focus on short-term performance
  - Policy environment and policy credibility
  - New types of investment and risks
    - Technology costs & performance
    - Capacity to evaluate investment opportunities
    - Transaction costs

Emphasis on risks and disclosure (Carney, 2015)
This report:

- Maps sustainable finance definitions and taxonomies in five jurisdictions:
  - EU, People’s Republic of China, Japan, France, the Netherlands
- Identifies policy considerations in terms of good taxonomy design
  - to help policy makers develop and grow sustainable finance markets to achieve environmental and sustainable development goals
Ingredients for attracting finance and investment

- Credible and predictable policies
- Regulatory support in areas where price signals are not efficient, such as in energy efficiency measures.
- Targeted support for the uptake of low-carbon technologies and innovation to transform high-carbon systems
- Innovation in business models and financing (including Fintech) could help reduce finance costs and attract new investors
- Improve conditions for “green finance” – reduce risks & transaction costs; enhance transparency & disclosure; taxonomies; institutions
THANK YOU

Cecilia Tam, *CEFIM Team Leader*

Cecilia.Tam@oecd.org

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