

SESSION NOTE

International Initiatives for Sustainable Infrastructure Financing and Investment

14 November 2018- 11:30- 12:45

Sustainable infrastructure is a key component of meeting climate and development objectives. The latest global estimates of infrastructure investment needs may differ, but they all point to a financing gap of trillions of dollars per year until at least the year 2030.¹ Encouragingly for governments, strong climate action offers many co-benefits in addition to delivering less carbon-intensive economies, and will very likely trigger massive investment opportunities. The scale of this infrastructure investment needed is far beyond what is done today and requires transformative action to mobilise green finance and investment in real projects on the ground.

For these reasons, recent years have seen a rapid rise in the number and scale of international initiatives established to target the development of successful sustainable infrastructure projects. For instance, a 2016 survey by Mercer and Inter-American Development Bank (IDB) of 30 existing infrastructure investment initiatives identified 20 initiatives launched in the last four years alone to help facilitate sustainable infrastructure projects. Indeed, infrastructure initiatives vary greatly across several important dimensions to target a wide set of potential investment barriers:

- Scope, e.g. barriers to specific technologies or industries
- Scale, e.g. support on project-by-project basis, or broader programmatic approaches
- Institutional aspects, e.g. in-house specialist teams, or capacity building interaction with other external stakeholders
- Geographic focus, e.g. local, national, or even continental.

This panel will discuss these international initiatives for supporting sustainable infrastructure financing and investment. Specifically, panellists from leading public institutions will discuss around three areas to: 1) bring their expertise and experience developing such initiatives in their institutions (see below); 2) examine if current initiatives substantially contribute to addressing the investment gap challenge – if so, how?; and 3) widen the discussion to explore if current efforts cover comprehensively enough of what is needed, and how the various initiatives overlap and constructively support each other.

The panellists bring a wide set of expertise to this topic through their own initiatives, including, but not limited to: *NDC Invest*, the IDB Group's one-stop shop will spur efforts to transform Paris pledges into investment plans; the *Green Bank Network* and efforts to develop green banks/green bank-like entities in emerging markets; *OECD initiatives on infrastructure*, including with G20 processes; collaboration and co-ordination among international organisations and international financial institutions including the OECD-World Bank-UN Environment "*Financing Climate Futures: Rethinking Infrastructure*" programme or the [MDB Infrastructure Cooperation Platform](#) and [Outcome Statement](#) of the Global Infrastructure Forum.

¹ The latest figures from the OECD *Investing in Climate, Investing in Growth* report (OECD, 2017) suggest that global annual investment of around USD 6.9 trillion over the period 2016 to 2030 may be necessary to put emissions on a pathway in line with a 2°C scenario; perhaps double current annual infrastructure volumes.

Looking at the broader international initiatives, this panel builds on the previous panel ([09:45-11:00 Planning and delivering sustainable infrastructure](#)) which instead explores a new OECD report ([oe.cd/project-pipelines](#)) on the role of governments to develop robust infrastructure project pipelines and mobilise project developers and investors to commit time, effort and funding to sustainable infrastructure projects.

Useful Links

- OECD (2018), *Developing Robust Project Pipelines for Low-Carbon Infrastructure*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264307827-en>.
- OECD / The World Bank / UN Environment (2018), *Financing Climate Futures: Rethinking Infrastructure*, OECD Publishing, Paris, www.oecd.org/environment/cc/climate-futures
- OECD (2017), *Getting Infrastructure Right: A framework for better governance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264272453-en>.
- OECD (2017), *Investing in Climate, Investing in Growth*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264273528-en>.
- Bielenberg, A. et al. (2016), *Financing change: How to mobilize private-sector financing for sustainable infrastructure*, McKinsey & Company, London, http://newclimateeconomy.report/workingpapers/wp-content/uploads/sites/5/2016/04/Financing_change_How_to_mobilize_private-sector_financing_for_sustainable-infrastructure.pdf
- GCEC (2016), *The Sustainable Infrastructure Imperative: Financing for Better Growth and Development - The 2016 New Climate Economy Report*, Global Commission on the Economy and Climate, http://newclimateeconomy.report/2016/wp-content/uploads/sites/4/2014/08/NCE_2016Report.pdf
- Granoff et al. (2016), *Nested barriers to low-carbon infrastructure investment*, <https://www.nature.com/articles/nclimate3142>
- Group of 24 (G24) (2015), "Infrastructure Finance in the Developing World: Infrastructure Pipeline and Need for Robust Project Preparation", Kortekaas, Brendon, <https://www.g24.org/wp-content/uploads/2016/05/MARGGK-WP04.pdf>
- Mercer and Inter-American Development Bank (IDB) (2016), *Building a Bridge to Sustainable Infrastructure: Mapping the Global Initiatives*, <http://dx.doi.org/10.18235/0000674>.
- Nassiry, D., S. Nakhoda and S. Barnard (2016), *Finding the pipeline: Project preparation for sustainable infrastructure*, Overseas Development Institute, <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11075.pdf>