HOW TO UNLOCK PRIVATE INVESTMENT IN SUPPORT OF GREEN GROWTH?

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Outline

• Barriers to green investment

• Key priorities to unlock private investment in support of green growth:

  1. Setting stable domestic policy frameworks for green investment

  2. Addressing barriers to international trade & investment to optimise green value chains

• Research gaps and priorities for future work
Barriers to green investment

- Country-specific policy bottlenecks ("pull factors"):  
  ✓ Traditional barriers to infrastructure projects  
  ✓ Specific investment barriers for green investment projects, due to market and government failures

- Policy restrictions to international trade and investment
1. Domestic policy frameworks for green investment to address policy bottlenecks

- **Strong government commitment** to green growth

- **Investment policy**: respect of investment principles such as transparency, property protection and non-discrimination

- **Investment promotion and facilitation**
  - Fossil-fuel subsidies reform
  - Carbon prices and other pricing instruments
  - Predictable transitional support to green technologies

- **Public governance**: effective implementation of green investment policies

- **Competition policy**: ensuring a level playing field between public and private investors
Relevant OECD work


2. Addressing barriers to international trade and investment to optimise green value chains

- Since 2008, increase of trade and investment restrictions to support domestic green producers, in a post-crisis recovery context
- Such measures may hinder the optimisation of green value chains, including in solar PV and wind energy, by raising the cost of inputs and reducing demand for downstream activities
- Relevant OECD work: “Achieving a level playing field for international investment in green energy”
Research gaps and priorities for future work

- Providing further policy guidance on the design and implementation of sound **policy frameworks for green investment**
- Assisting host countries in channeling investment towards clean energy infrastructure
- **Tracking and monitoring of trade and investment restrictions** in green sectors
- **Enhancing international co-operation** to optimise green value chains at the global level
THANK YOU

Any questions?

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