

SESSION NOTE

Unlocking global green finance and investment: the role of key global actors and international institutions

24 October 2017 – 09:40 – 11:10

This plenary session will be designed to be interactive, with short interventions from high-level panellists and planned interventions from participants in the audience. It will discuss the role of global actors and international institutions to unlock green finance at the global level in support of low-carbon pathways. The session will consider such “big-picture” questions as: Where are we in efforts to meet short-term targets and get on longer-term pathways? Why are we not where we need to be? How can and when will we get to that tipping point?

Since 1990, world GDP has more than doubled. At the same time, carbon dioxide (CO₂) emissions from fossil-fuel use have increased by around 60%, contributing to increasingly rapid climatic change. Other environmental challenges have also emerged, such as biodiversity loss, desertification and local and regional pollution. Climate change in particular poses significant challenges to our current development paradigm, while creating opportunities for sustainable and sustainable improvements in inclusive economic well-being.

The Paris Agreement reached at COP21 aims to hold the increase in the global average temperature to well below 2°C, and to pursue efforts to limit it to 1.5°C above pre-industrial levels, and making finance flows consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient development. As highlighted by the OECD report *Investing in Climate, Investing in Growth*, given the constraint on carbon budgets consistent with a 2-degree scenario, global stakeholders, countries and non-state actors will need to support the transition to low-emission pathways that encourage a peak in global emissions as soon as possible, a subsequent rapid fall in GHG emissions, especially of CO₂ emissions, and net GHG emissions approaching zero or becoming event net negative in the second half of the century (IPCC, 2014).

This session focuses on the role of global actors, including international institutions, countries and non-state actors, in supporting action at the global level. The subsequent session will discuss in more detail the role of governments in strengthening domestic enabling conditions for green investment at domestic level. The good news is that countries, and especially OECD and G20 countries, can achieve strong and inclusive economic growth at the same time as reorienting their economies towards low-emission and climate-resilient development pathways.

A key question is how organisations like the OECD can go further to inform effective policymaking and action to accelerate the low-carbon transition and achievement of the SDGs. In October 2016, the OECD launched the Centre on Green Finance and Investment (CGFI). The Centre was established to help catalyse and support the transition to a green, low-emissions and climate-resilient economy through the

development of effective policies, institutions and instruments for green finance and investment. Leveraging the OECD's policy and economics expertise, the Centre provides a global platform – including through this Forum – for engaging with key players and harnessing the marketplace intelligence of private sector partners. By bringing together key stakeholders, through its networks of policy makers, regulators, institutional investors, experts, practitioners and civil society, the OECD provides a neutral and global platform for dialogue and discussion across key issues related to green finance and investment, climate change, long-term institutional investment and responsible business conduct. But the OECD and the Centre can do more – what is needed?

Useful links

- OECD Centre on Green Finance and Investment: www.oecd.org/cgfi/.
- OECD Development Assistance Committee (DAC): www.oecd.org/dac/developmentassistancecommitteedac.htm.
- Green Finance Initiative by London: <http://greenfinanceinitiative.org>.
- Global Environment Facility: www.thegef.org/.
- ADB “Green Finance Catalysing Facility”: www.adb.org/publications/green-finance-catalysing-facility.