



# DESIGNING 'INVESTMENT GRADE' POLICIES: LESSONS FROM EXPERIENCE WITH LOW-CARBON, CLIMATE-RESILIENT INVESTMENT

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ENV/CBW

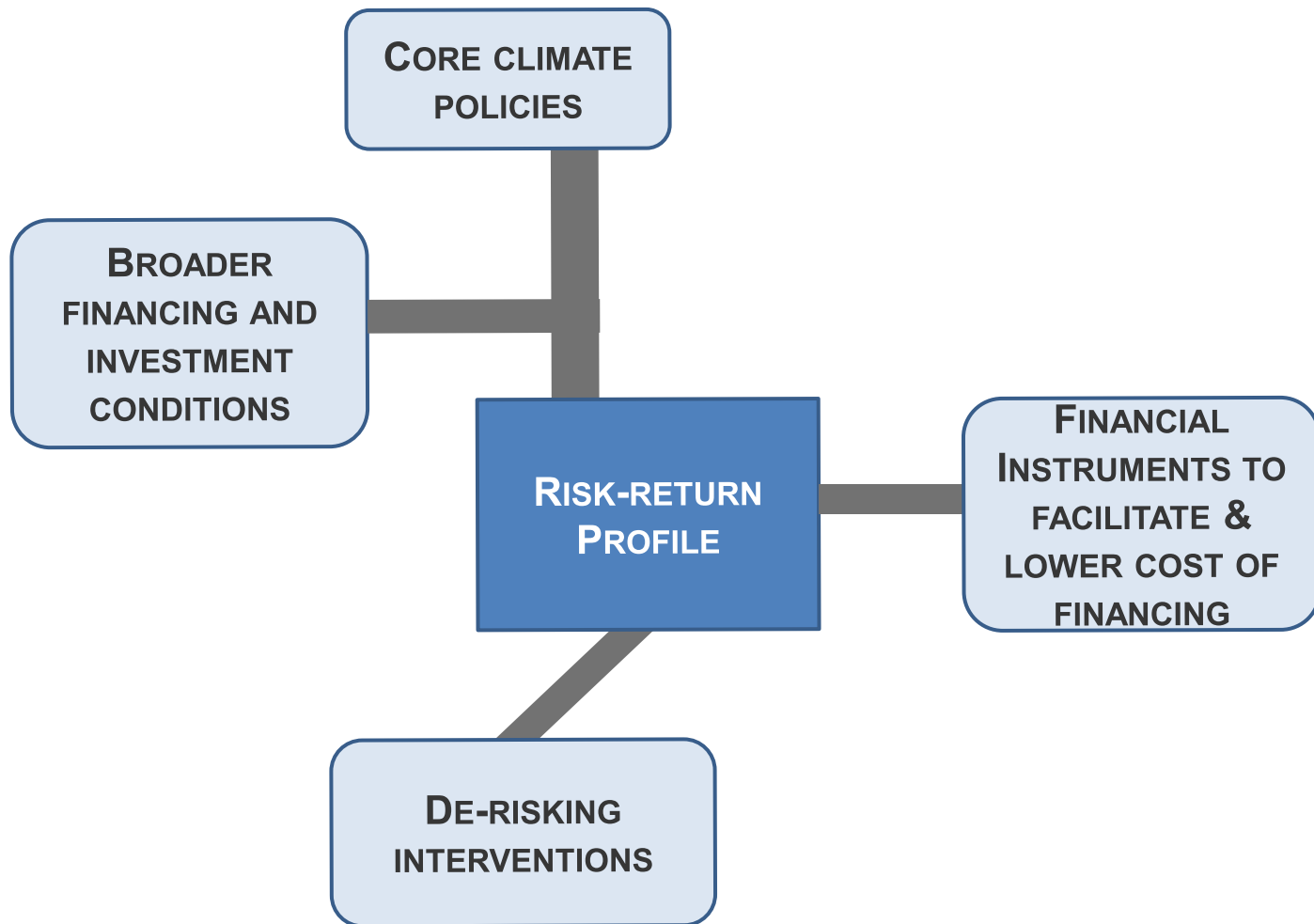
OECD-WWC-Netherlands

Roundtable on Financing Water

12 April 2017, OECD Headquarters, Paris

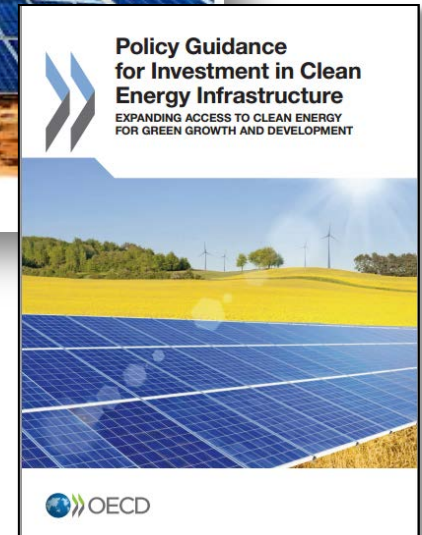
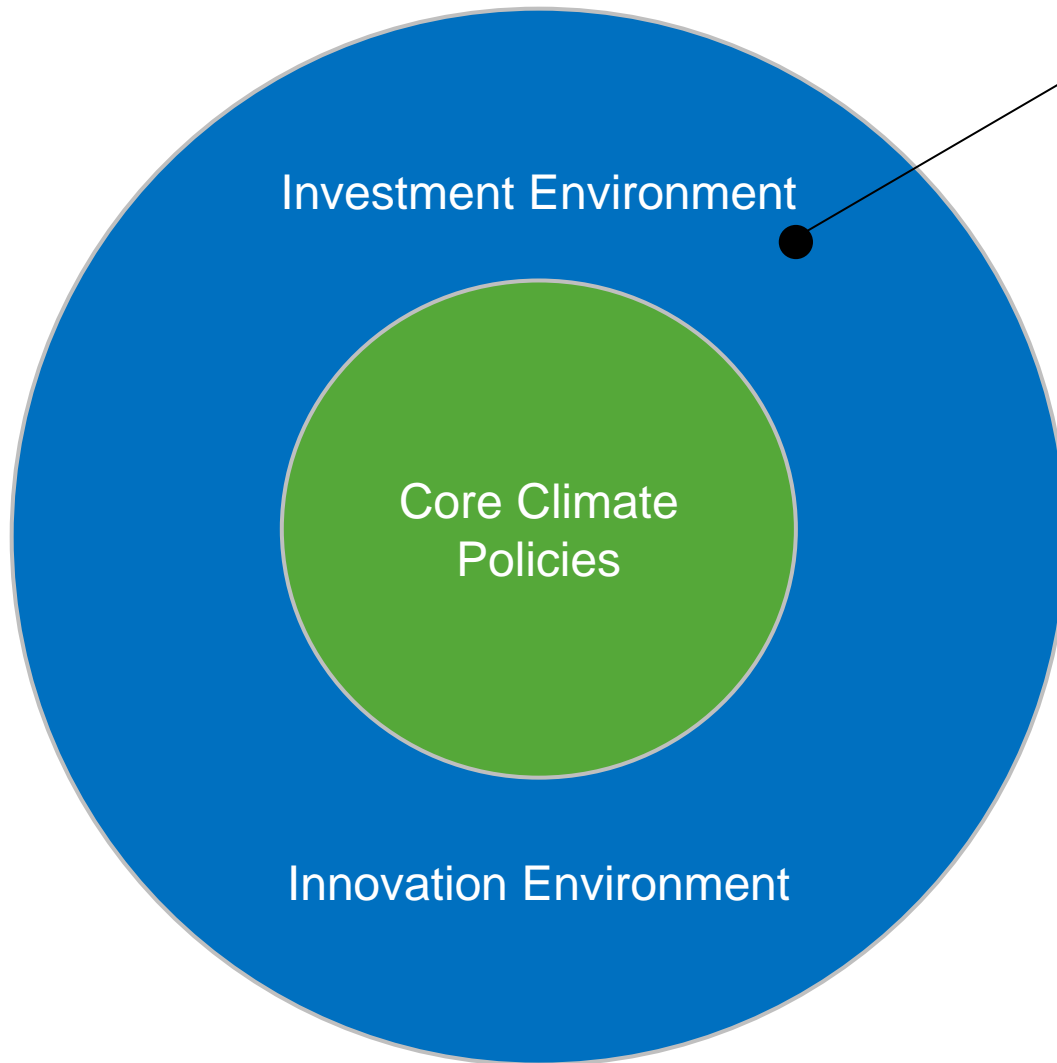


# Mobilising finance and investment for Paris: low-carbon infrastructure





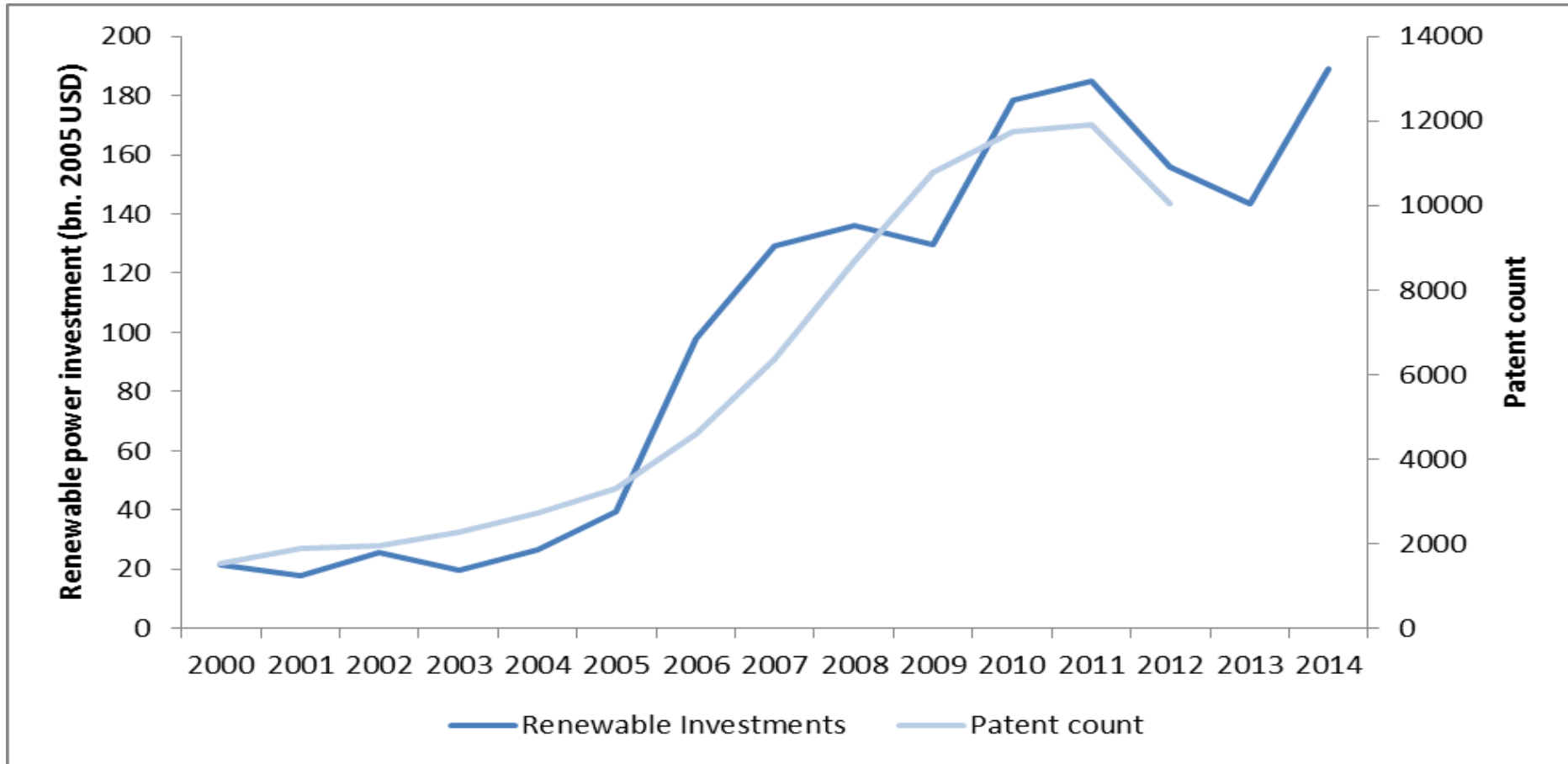
# Components of an Investment Grade Policy Framework for Clean Energy





# Trends in investment and patenting

Trends in investment flows and patent counts in renewable power sources in OECD and G20 countries



Source: Authors' calculations, based on BNEF (2015a); and Haščič and Migotto (2015).



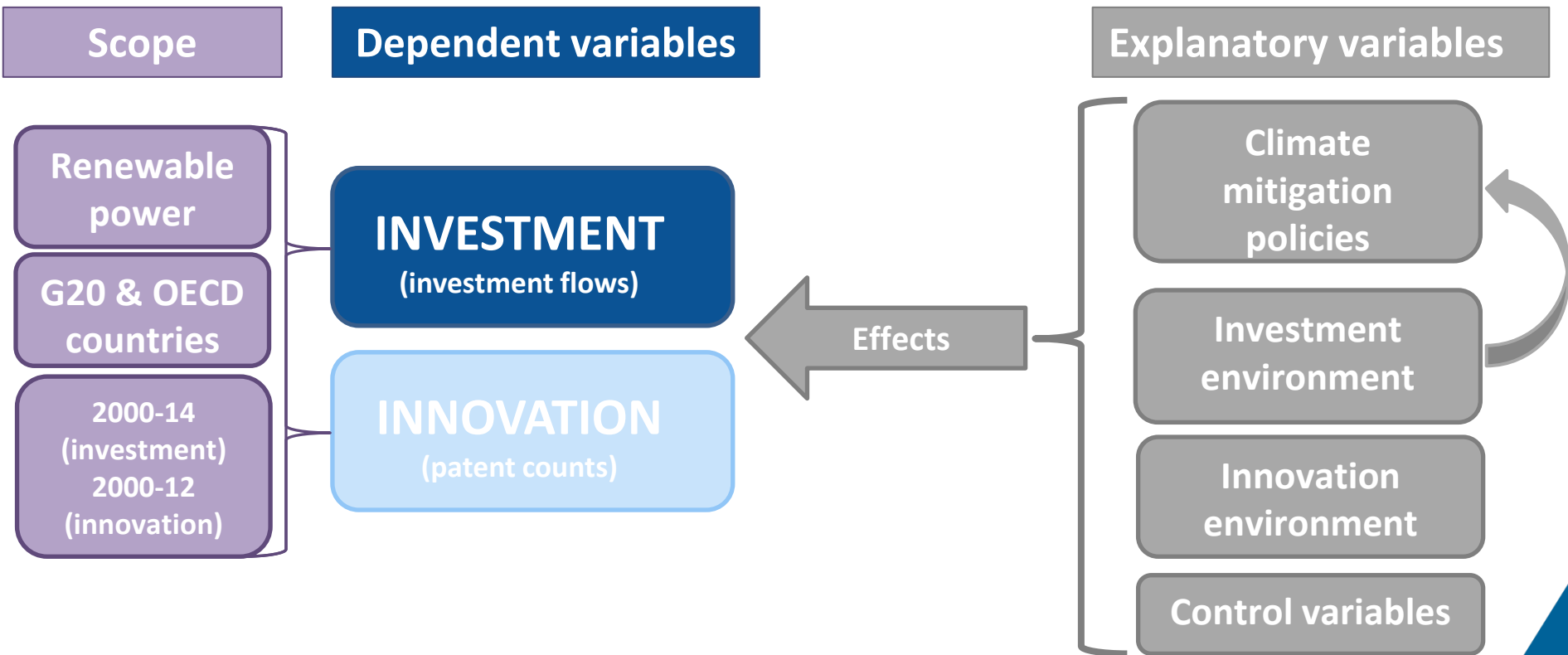
# Research questions

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- 1. Which investment conditions and climate policies are effective in mobilising investment?**
- 2. How do investment conditions impact the efficiency of climate policies in mobilising investment?**



# Enabling Investment and Innovation in Renewable Energy





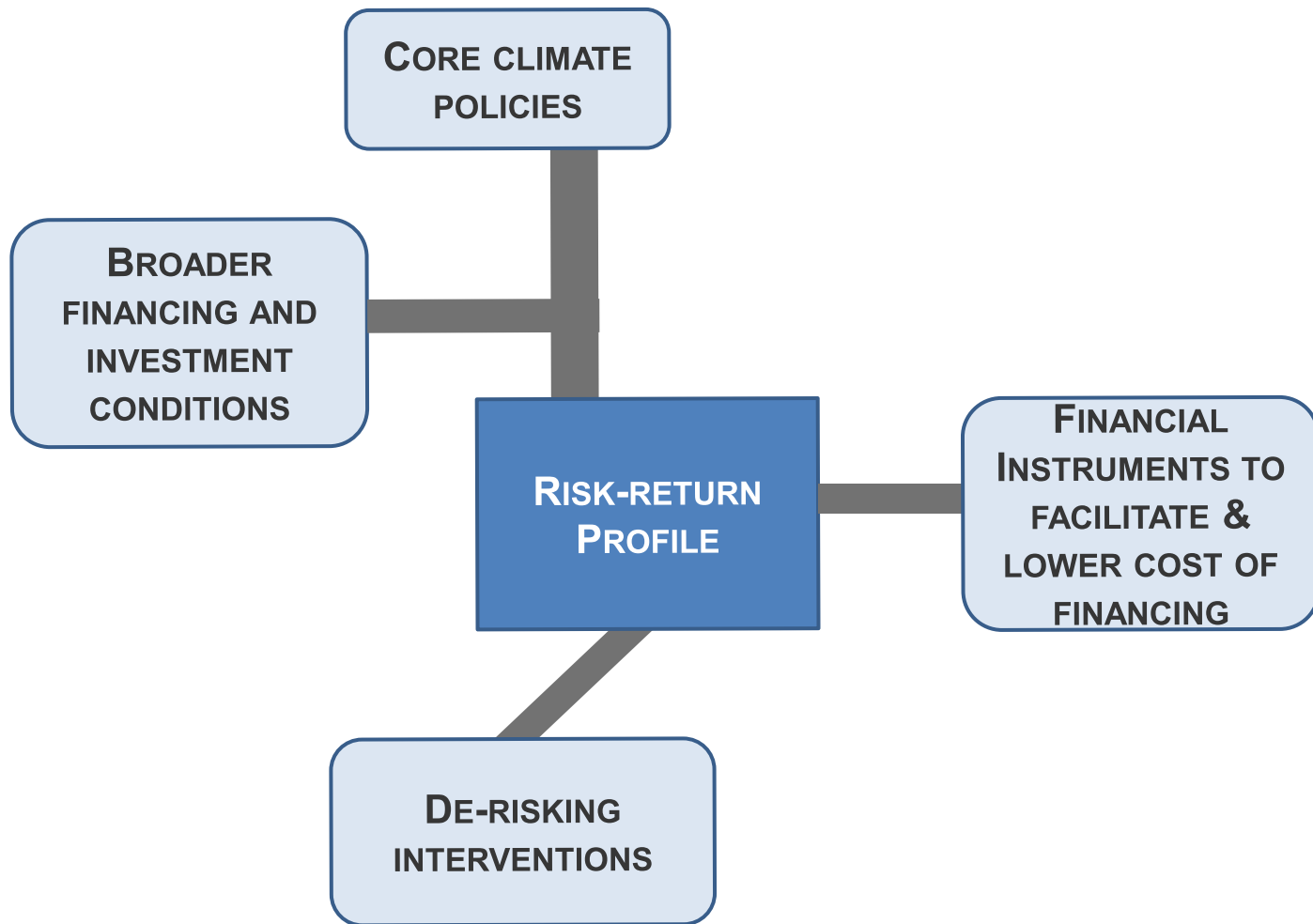
# Findings: Policy drivers for, barriers to RE investment

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- Feed-in tariffs, RE certificates, public tenders
- Explicit carbon prices (in EU, and emerging markets & solar)
- Mitigation policies more effective when combined
- Investment depends on investment environment
  - Overall ease of doing business
  - Trading across borders
  - Sovereign credit rating
  - Implementation of Basel III leverage ratio
- Investment conditions can hamper effectiveness of mitigation policies
- And for water investment?



# Mobilising finance and investment for Paris: low-carbon infrastructure

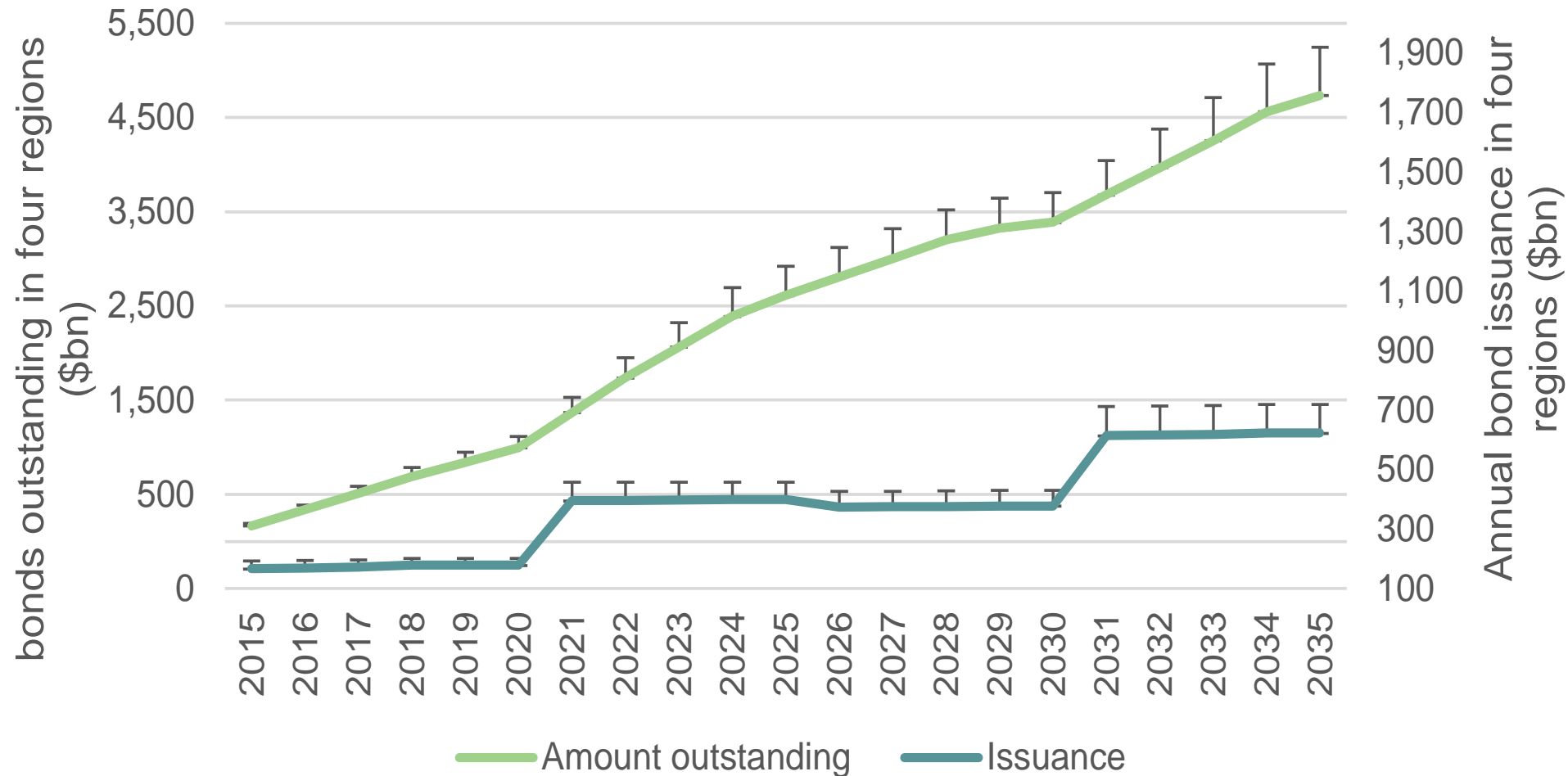






# Potential for low-carbon bond issuance to 2035 in a 2 degree scenario:

*In China, Japan, EU and US (in the renewable energy, low-emission vehicle and energy efficiency in buildings sectors)*





# THANK YOU!

For more information, visit:

<http://www.oecd.org/cgfi/>

<http://www.oecd.org/env/cc/financing.htm>

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## Mission:



*Through effective policies, markets, and institutions, mobilise and scale up finance and investment to support the transition to a green, low-emissions and climate-resilient global economy*



# What the Centre will do

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1

**Provide a global platform for knowledge exchange and effective engagement**

2

**Produce high-quality, policy-oriented research and analysis**

3

**Initiate and foster collaboration to address knowledge gaps and market challenges**



# Main workstreams

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1

Strategies, policies, and actions for the low-carbon transition

2

Resilience and conservation

3

Finance

4

Tracking progress

5

Maximising impact for development



# OECD CENTRE ON GREEN FINANCE AND INVESTMENT



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Institutional Investors  
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Industry sectors  
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Philanthropies



GIFF and  
other events



# Policy communities / OECD bodies

