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CURRENT INITIATIVES FOCUSED ON USING PUBLIC CLIMATE FINANCE TO LEVERAGE PRIVATE CAPITAL

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These tables, drawn from Appendix III in WRI's working paper "Moving the Fulcrum: A Primer on Public Climate Financing Instruments Used to Leverage Private Capital," provide examples of donor government, development bank, research organization, and private sector efforts that examine how to use public climate finance to leverage private capital for climate change mitigation projects in developing countries. These tables are intended to illustrate, rather than exhaustively list, the range of research and convening initiatives focused on this topic. This document will periodically be updated as the landscape of such initiatives is dynamic and shifts periodically.

For full text of the working paper go to:

<http://www.wri.org/publication/moving-the-fulcrum>.

PUBLIC SECTOR INITIATIVES

UK Government's Capital Markets Climate Initiative (CMCI) aims to bring the London-based finance community together with the UK Government to identify ways to facilitate the scale-up of private sector climate finance flows.

The former UNEP Sustainable Energy Finance Initiative (SEFI) worked with financiers to provide tools and support to drive financial investment in clean energy technologies. SEFI fostered investment in projects, by developing partnerships and creating the momentum needed to bring sustainable energy into the mainstream.

Global Green Growth Institute, an initiative of Danish and South Korean governments, this institute convenes a range of public and private stakeholders on an annual basis to strengthen global public-private partnerships for the industrial transition to a green economy.

The new Green Climate Fund (GCF) (including its Private Sector Facility), to be launched in coming years, will provide a useful international platform to test the leveraging tools available to public financiers.

Working Group on the International Financial Aspects of Climate Change is an initiative of the EU and looks at ways to leverage private investments for low carbon projects in developing countries.

International Development Finance Club (IDFC) is a network of national and sub-regional development banks committed to sharing best practices in international development and climate finance.

Multilateral, bilateral institutions and donor government agencies have supported research and implementation projects to improve the effectiveness of development banks in leveraging private capital.

Multilateral institutions include the World Bank Group, Asian Development Bank, Inter-American Development Bank, and the African Development Bank.

Bilateral institutions from Germany (BMU, KfW, GIZ), France (AFD), Sweden (SIDA), UK (DFID, DEFRA, DECC), Japan (JICA and Environment Ministry), US (State Department/USAID), Netherlands, Norway, Denmark, and the United Nations (UN) have either supported or contributed to research projects to understand the role of the public sector in leveraging the private sector.

International mechanisms like the Climate Investment Funds (CIFs), the Global Environment Facility (GEF), and the proposed Green Climate Fund (GCF) are examining best practices to leverage the private sector using their own funds.

RESEARCH-FOCUSED ORGANIZATIONS

The 2010 Critical Mass Project, a joint initiative of the IFC, the UN Foundation and the World Economic Forum, convened public and private stakeholders to design and implement programs to leverage private investment for low-carbon infrastructure in developing countries.

Climate Policy Initiative, established in 2009, examines a broad range of climate finance issues including aggregate tracking of climate finance flows. In partnership with the World Bank Group, the Organisation for Economic Co-operation and Development and CLP, they recently launched the San Giorgio Group—a working group of key financial intermediaries and institutions focused on how best to scale-up climate finance flows.

Global Climate Network is an international network of progressive research organizations, including the Center for American Progress. These organizations have worked together to identify various financial instruments to leverage private investments in low carbon projects in developing countries.

World Resources Institute launched a cross-Institute initiative in 2011 to understand how best governments, development finance institutions, international mechanisms, and PPPs can leverage private capital while meeting development priorities.

Renewable Energy Finance Project, an initiative of the UK think tank Chatham House, works with leading renewable energy financiers to establish specific policy conditions for investment in various countries.

Brookings Institution broadly examines climate finance issues, including private sector-related topics.

Overseas Development Institute examines the private sector's role in transferring financial resources to vulnerable countries for climate change-relevant projects.

Grantham Institute is a research center at the London School of Economics, headed by Lord Nicholas Stern, with a mission to provide policy relevant research on climate change.

Stockholm Environment Institute conducts research on leveraging private climate finance for adaptation.

Global Financial Mechanism Project, an initiative of WWF, examines the role of private sector in climate finance as part of its larger aim to understand the optimal design and operation of UNFCCC Mitigation Fund.

Frankfurt School/UNEP Collaborating Centre aims to develop and promote cost-effective approaches to mobilizing financing for climate and sustainable energy investments.

Climate Bonds Initiative is an investor-focused not-for-profit promoting large-scale investment in the low-carbon economy through climate-friendly, fixed income products.

PRIVATE SECTOR-FOCUSED EFFORTS

Private Sector-Focused Alliances

Global Green Growth Forum (3GF) (affiliated with the Green Growth Institute) is a partnership between governments (Denmark, Korea and Mexico), global corporations, and international organizations, working to create large-scale green projects. 3GF annually convenes a select group of political and business leaders to give momentum to long-term sustainable growth through scalable public-private partnerships.

ClimateWise and the P-8 Group are groups of leading insurers and pension funds, respectively, exploring strategies to address climate change. These groups benefit from the guidance and support of the Cambridge Programme for Sustainability Leadership and the Prince of Wales' Business and Environment Program, among others.

The Investor Network on Climate Risk (INCR) Hosted 500 financial leaders managing \$22 trillion in assets at the United Nations in 2010 to discuss investment opportunities and policy actions for mitigating global climate change.

The Institutional Investors Group on Climate Change (IIGCC) is a Forum of European Investors that influences policy makers and investors towards a low carbon economy.

Ceres is a network of investors, companies, and public inter groups advocating for the acceleration, expansion and adoption of sustainable business practices and solutions critical to a healthy global economy.

UNEP-FI works with financiers to provide the tools, support and networks to drive financial innovation in the climate change space.

A 2012 B20 initiative spearheaded by the World Economic Forum, the Green Growth Action Alliance (G2A2) is a public-private partnership with the aim to address gaps in green infrastructure investment by leveraging private sector participation.

Private Sector-Driven Efforts

HSBC Climate Change Initiatives has published reports on both green bonds and how to scale-up low-carbon markets, among other climate finance related topics.

Bank of America is currently examining the types of financing instruments that the Green Climate Fund's Private Sector Facility should consider.

Standard & Poor's hosted a roundtable and released an associated report exploring the question of capital markets ability to close the climate finance gap.

Bloomberg New Energy Finance tracks investment flows to renewable energy and releases policy-relevant reports aimed at the investment community.

Deutsche Bank Climate Change Advisors have been strong proponents of Feed-in Tariff policies to catalyze renewable energy markets and have released several publications on related topics.

WRI'S CLIMATE FINANCE SERIES

WRI's Climate Finance series tackles a broad range of issues relevant to public donors, intermediaries, and recipients of climate finance. A subset of this series, including this primer, examines how public climate finance providers—whether governments, development finance institutions, or international finance mechanisms like the proposed Green Climate Fund—can meet the significant investment needs of developing countries by mobilizing private sector investment. It focuses on how the public sector can finance and mobilize investment into private sector projects, but also acknowledges the importance of overarching support for complementary low-carbon policies. Low-carbon sectors specifically considered include renewable energy, energy efficiency, and related infrastructure and services, though lessons may equally apply to other climate change-relevant sectors like sustainable agriculture, transportation, and water infrastructure.

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ABOUT WRI

The World Resources Institute (WRI) is a global environmental and development think tank that goes beyond research to create practical ways to protect the Earth and improve people's lives. We work with governments, companies, and civil society to build solutions to urgent environmental challenges. WRI's transformative ideas protect the Earth and promote development because sustainability is essential to meeting human needs and fulfilling human aspirations in the future.

WRI spurs progress by providing practical strategies for change and effective tools to implement them. We measure our success in the form of new policies, products, and practices that shift the ways governments work, companies operate, and people act.

We operate globally because today's problems know no boundaries. We are avid communicators because people everywhere are inspired by ideas, empowered by knowledge, and moved to change by greater understanding. We provide innovative paths to a sustainable planet through work that is accurate, fair, and independent.

WRI organizes its work around four key goals:

People & Ecosystems: Reverse rapid degradation of ecosystems and assure their capacity to provide humans with needed goods and services.

Governance: Empower people and strengthen institutions to foster environmentally sound and socially equitable decision-making.

Climate Protection: Protect the global climate system from further harm due to emissions of greenhouse gases and help humanity and the natural world adapt to unavoidable climate change.

Markets & Enterprise: Harness markets and enterprise to expand economic opportunity and protect the environment.

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