



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

Policy Guidance for Investment in Clean Energy Infrastructure, an OECD report to the G20 (2013)

OECD POLICY GUIDANCE FOR INVESTMENT IN CLEAN ENERGY INFRASTRUCTURE

Expanding access to clean energy for green growth and development
An OECD report to the G20, with contributions by the World Bank and UNDP.
October 2013

This document aims to provide host country governments with guidance on the policy options that are available to make the most of investment opportunities in clean energy infrastructure, drawing on the collective expertise of the climate and investment communities among others. The document identifies issues to consider in several areas including: investment policy; investment promotion and facilitation; competition; financial markets; and public governance. It also addresses cross-cutting issues, such as the implications of regional co-operation and of international trade for investment in clean energy infrastructure.

The Policy Guidance for Investment in Clean Energy Infrastructure was developed by the OECD Investment Committee and the Working Party on Climate, Investment and Development (WPICD) of the Environment Policy Committee. It has been discussed at several meetings and benefited from substantial contributions by the World Bank, UNDP and various OECD bodies including, inter alia, the OECD Development Assistance Committee and the Secretariats of the Committee on Financial Markets, Competition and Public Governance.

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OECD Investment Policy Reviews with a green growth chapter: Costa Rica (2013), Colombia (2012), Malaysia (2013), Tunisia (2012)

OECD Investment Policy Reviews
TUNISIA

OECD Investment Policy Reviews
COLOMBIA

OECD Investment Policy Reviews
COSTA RICA

Policy Framework for Investment (2006) and **Corfee-Morlot et al.,** (2012)

Please cite this paper as:
Corfee-Morlot, J. et al. (2012), "Towards a Green Investment Policy Framework: The Case of Low-Carbon, Climate-Resilient Infrastructure", OECD Environment Working Papers, No. 48, OECD Publishing, <http://dx.doi.org/10.1787/9789264124666en>

OECD Environment Working Papers
No. 48

Towards a Green Investment Policy Framework

Policy Framework for Investment

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



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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