

HOW TO UNLOCK PRIVATE INVESTMENT IN SUPPORT OF GREEN GROWTH?

Presented by Karim Dahou OECD

Green Growth and Sustainable Development (GG-SD) Forum, Plenary session 1

Paris, 5 December 2013





- 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

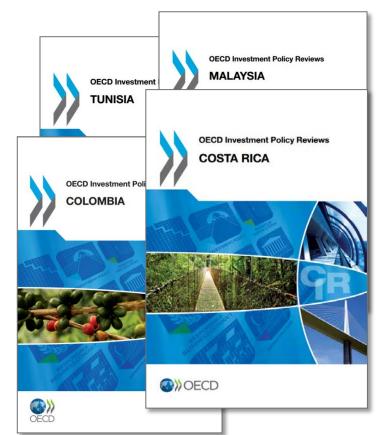


Relevant OECD work

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



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



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





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

Upstream production

Midstream manufacturing

Downstream activities

- 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?

Karim Dahou

Executive Manager
NEPAD-OECD Africa Investment Initiative

karim.dahou@oecd.org; Tel. +33 1 45 24 19 38

