



Shaping policy for development

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Greening investment, greening markets

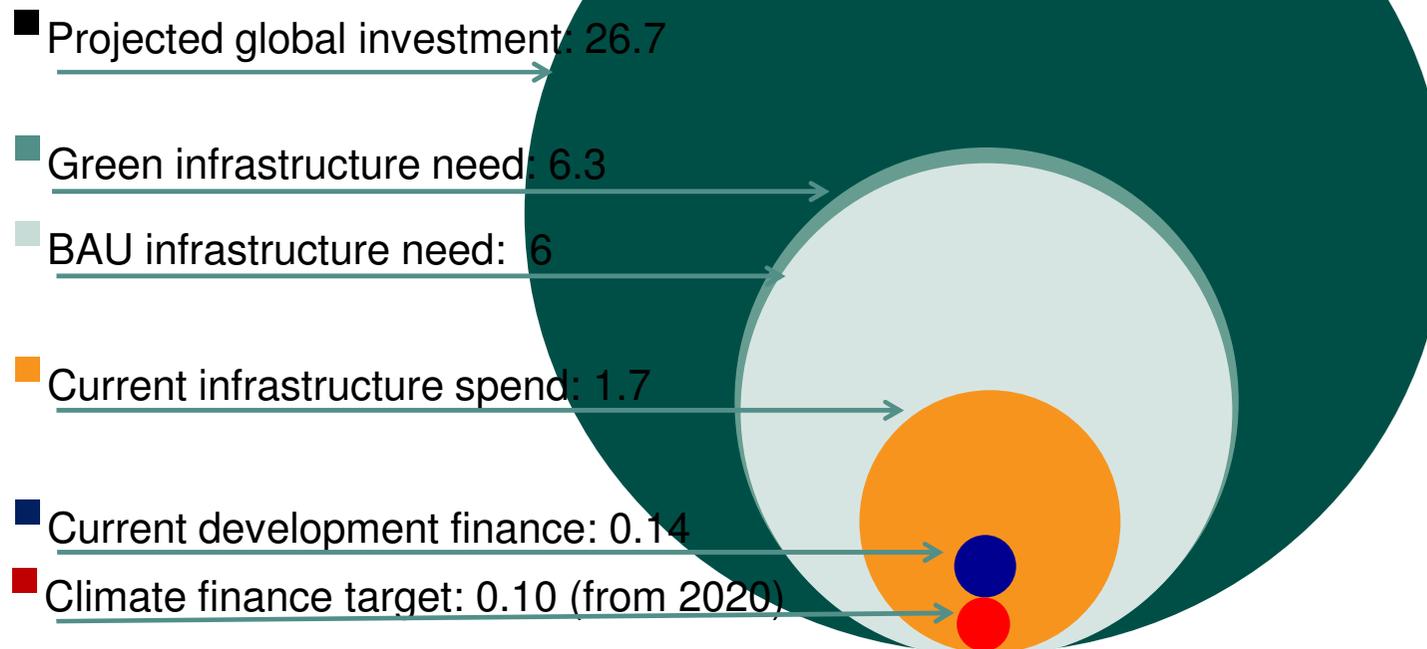
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Climate and development finance in context

Scale of investment 2015-2030 (US \$trillion/year)

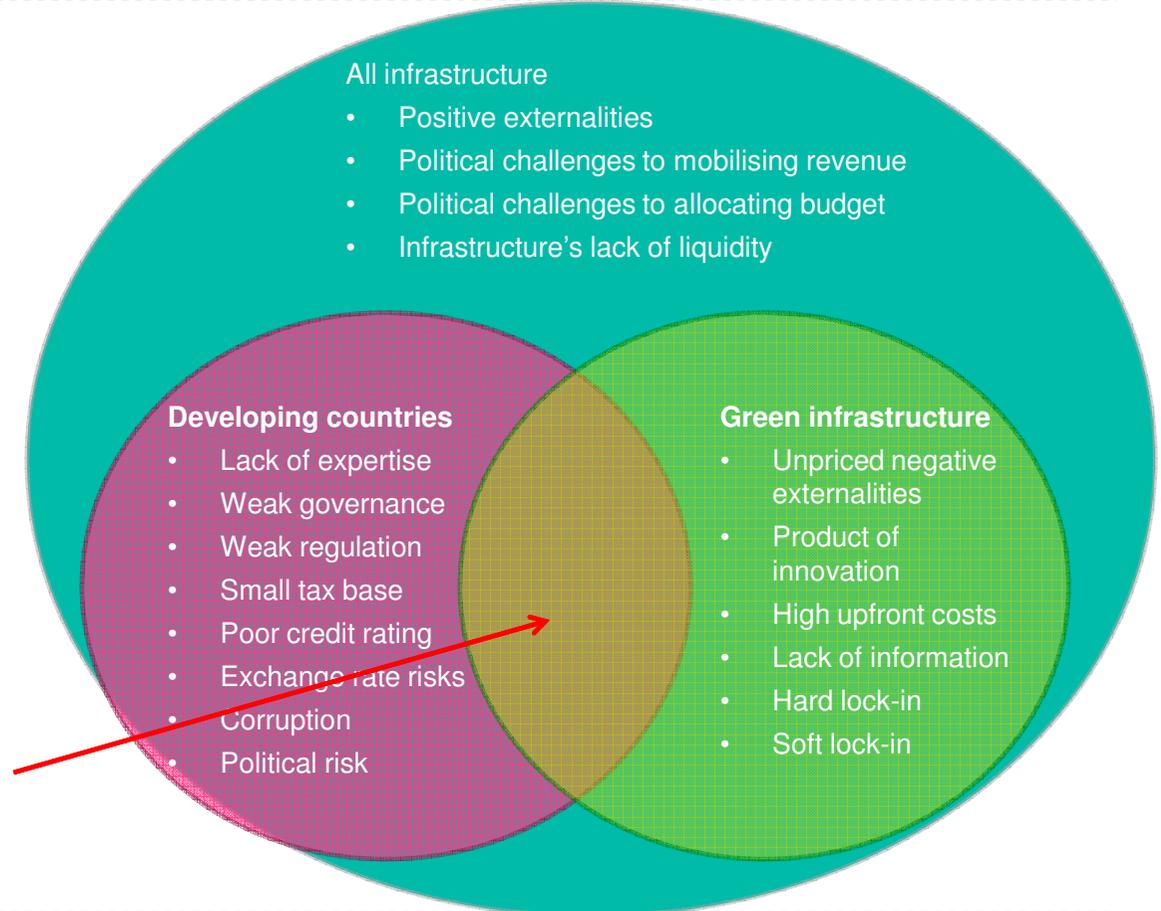




Why is infrastructure so important?

- Infrastructure shapes climate impacts of other investment choices
- One of the main public levers to influence private economic activity
- Lack rate of capital investment needed to power and transport low-carbon system
- Can lock-in high-carbon, inefficient system or low-carbon, efficient system
- Not just about more, but different infrastructure

Greening developing country infrastructure





Capital markets in energy and infrastructure gap

- What is so special about green bonds and yieldcos?

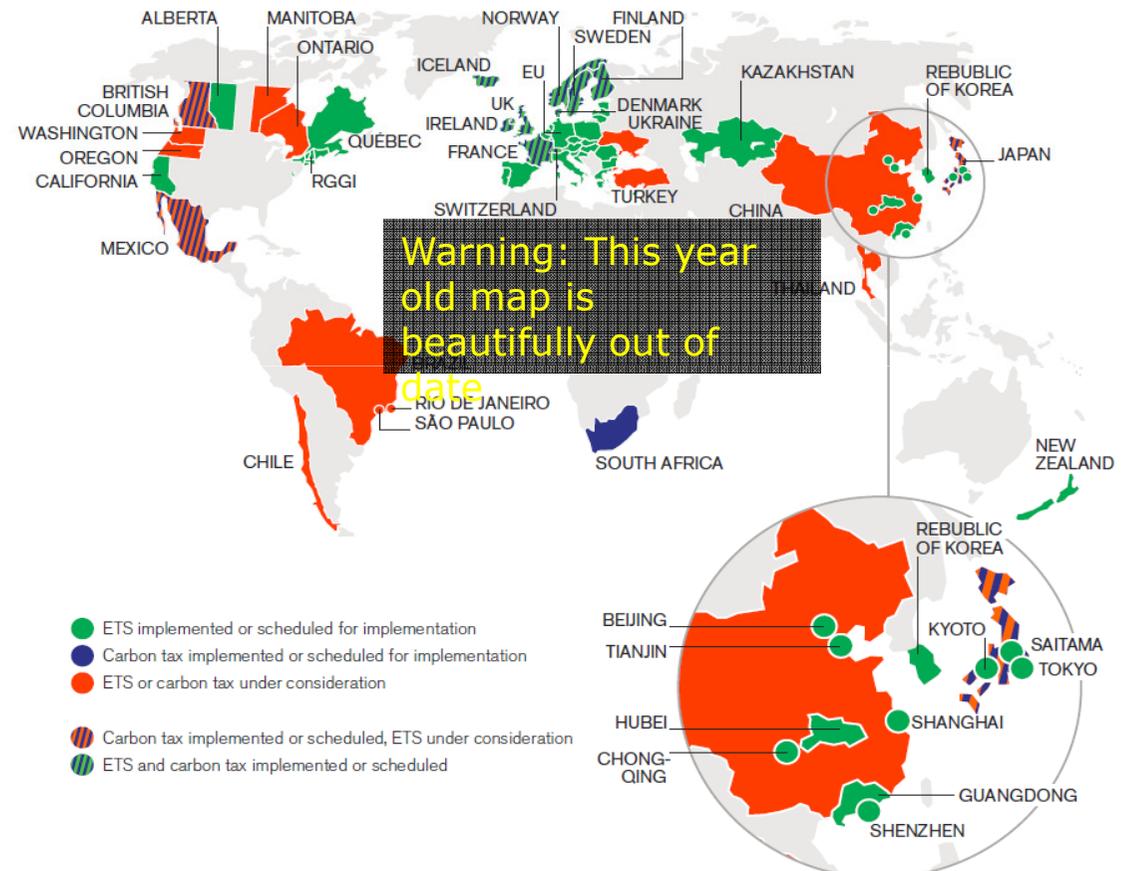


- But shouldn't broader capital market to be climate compatible beyond a few bespoke products?
 - And what about public access to capital markets, such as cities?
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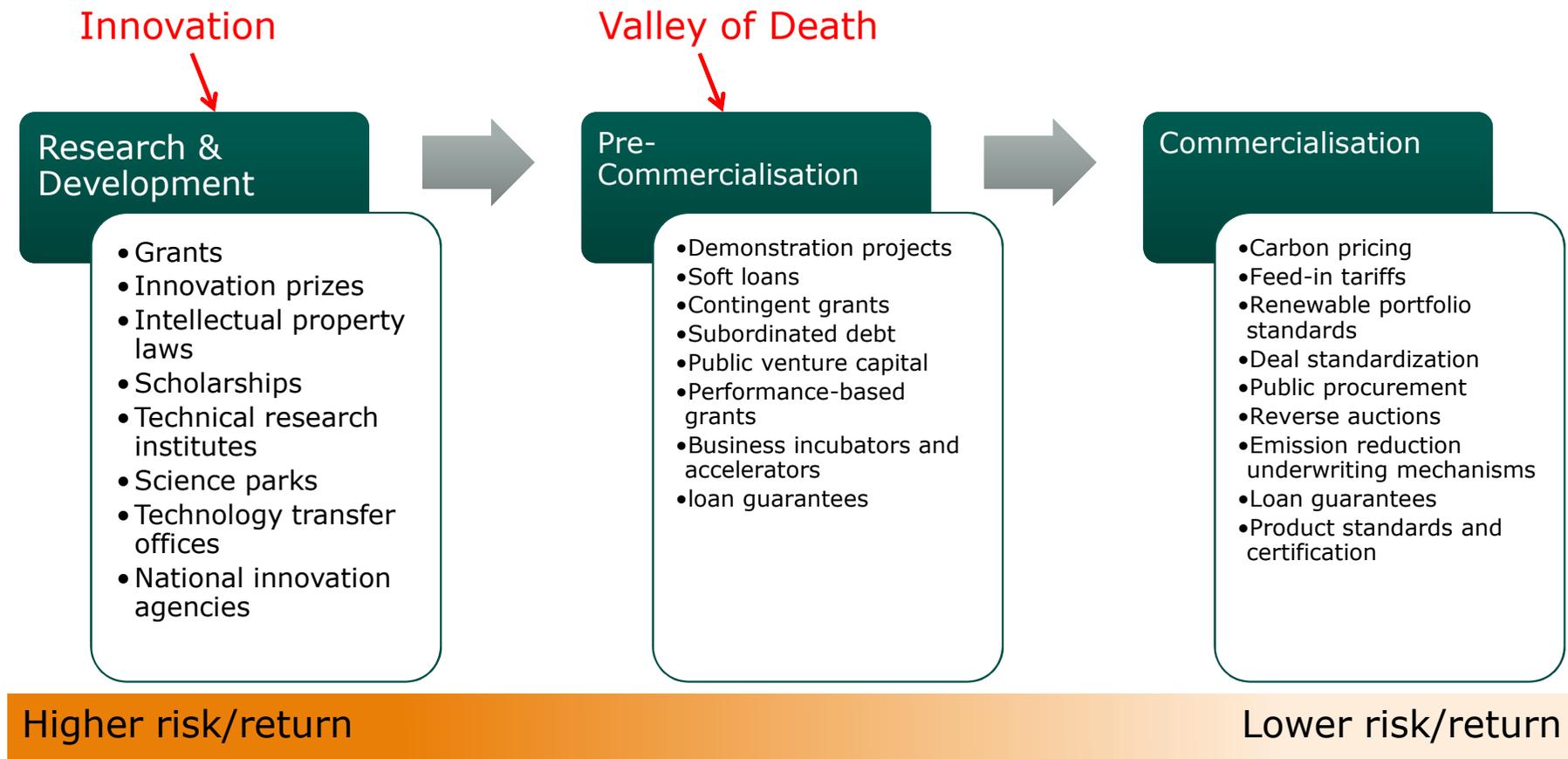
Greening markets is about the rules of the game

- Make good environmental law, and capital markets seek sustainable returns
- Carbon pricing is particularly most efficient *regulatory tool*
- National and regional markets have sufficient liquidity
- Nearly pointless to price carbon while still subsidizing fossil fuel exploration, production and consumption
- Carbon pricing alone is an insufficient signal
 - Public investment
 - Pre-market investment





Public finance should go where capital markets don't





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