Call to Scale Up Climate Finance after Paris Summit

3 Point Plan to Convert INDC Goals into Climate Investment Pipeline

http://www.calltoactiononclimatefinance.net/

LONDON: 23/11/2015: A worldwide group of global climate finance and responsible investing organisations has issued a call for coordinated action to scale up climate investment ‘infrastructure’ and financial flows following the COP21 Paris Conference in early December.

Reflecting the growing debate around conversion of national INDC commitments into targeted investment, the group has put forward a three-point framework of measures to encourage long term capital allocation from financial markets alongside public finance.

The plan seeks to leverage the national priorities and accompanying data contained with each INDC to help build investment pipelines that have a climate policy rationale, regulatory support and the underlying features and transparency required for markets and finance providers to make multi-billion, long-term investment decisions.

The call is for three core actions:

Establishing detailed “Climate Investment Plans” (CIPs) at a country level, based on the country’s intended INDC actions as submitted pre-Paris. These CIPs will set out “investment ready” commercial projects alongside proposals for concessional financing.

Back ing these CIPs – and all other climate finance initiatives – with improved information, including through the creation of standard data on climate projects and finance.

Establishing a global network for climate investment, housing essential climate finance infrastructure and bringing together major participants including market research, policy makers and intermediaries as well as institutional investors, in active partnerships to facilitate transaction flows.

The 3 Point Plan has attracted support from Rachel Kyte, former World Bank Group Vice President and Special Envoy for Climate Change:

“The UN has calculated that the INDCs put us on track for 2.7 degrees warming - better than where we were headed but still perilously high. However, to turn them from words to low carbon growth, jobs and opportunity, we have to mobilize the finance needs laid out and put in place the sensible macroeconomic and fiscal policy packages that support this new trajectory.”

“Alongside those, we need to create infrastructure for the climate finance sector itself to work effectively. I therefore commend this initiative as the means for finance practitioners to make progress in promoting deal flows at both global and country levels.”

Tracy Cai, Co-founder and CEO of SynTao Green Finance:
“None of the actions we are calling for are new as such. They all build on work that is already being done. But together they create a platform for people to work together at scale, on the basis of better data, more visibility of investment pipelines, and better planning and dialogue. They are vital infrastructure that needs to be plugged in for the funds to flow.”

**Nick Mabey**, Chief Executive and a founder director of E3G cited the significant gaps in data and a lack of understanding of the investment priorities which would meet each country’s INDC plans:

““There’s a lot of work needed,” he said, “but the country INDC submissions are a massive step forward. The data they provide is a compass pointing the way to climate mitigation and adaptation solutions. We can now map out a “bottom up” pipeline of projects. With both compass and map we know where money is needed to determine the most appropriate forms of financing.”

**Fiona Reynolds**, Managing Director of the Principles for Responsible Investing:
“Investors are looking for low carbon investments. Governments that identify and support specific low carbon infrastructure assets for investment are going to attract the most interest from the private sector.”

**Assaad Razzouk**, CEO Sindicatum Sustainable Resources, a Singaporean clean energy company noted how demonstrating success in financing would increase ambition:

“Climate Investment Plans are a vital window to the world for finance at country level, and a vital tool for increasing ambition on mitigation targets over time. A Paris climate agreement, no matter how tentative, will involve more than 160 countries publishing ‘low-carbon business plans’ for their economies, describing what each will do to help limit global warming.

“The plans, based on the INDCs, are the driving force of COP21 and represent both a development pathway and a multi-trillion-dollar investment opportunity for the private sector if they are clearly delineated. If it can be shown, through transactions getting done, that public and private sources of finance can be mobilised at scale for the implementation of these plans, we will get confidence that much more can be achieved than a Paris agreement, on its own, will probably yield.”

Speaking about the call for a climate investment network, **Farhana Yamin**, CEO and Founder of Track0:

“Establishing a climate investment network would create a real catalyst to effective deal flow. Far beyond just a “talking shop”, its sole objective would be to scale up the flow of transaction opportunities – whether these be concessional or commercial.

“Looking across at the “impact investing” world, we can see a possible model in the Global Impact Investing Network, which was only established 6 years ago but already has over 200 members – and they’re not just investors, but all kinds of stakeholders getting things moving forward.”

**Other market participants have welcomed the Call to Action – see “Additional Quotes” below**

**Contacts:**
*Tessa Tennant –* tt@tessatennant.net
[+44 (0) 7710 761306]
NOTES FOR JOURNALISTS

Organisations Supporting the Call:

Initial supporters of the Call to Action are the Principles for Responsible Investing (PRI), E3G, SynTao Green Finance, Sindicatum Sustainable Resources, Climate Bonds Initiative, Track0, Ceres and the Carbon Tracker Initiative. Further details below.

Additional Quotes:

Further quotes from the climate and finance communities:

**James Cameron, Chairman, Overseas Development Institute:**
The initiatives in the Call to Action create coherence in climate financing. They complement and go beyond many past approaches, in that they focus 100% on promoting transaction flows. And flows right across the spectrum, from grants to purely commercial transactions.

**Amal-Lee Amin, Chief of the Climate Change and Sustainability Division, IDB:**
“The Inter-American Development Bank (IDB) welcomes this Call to Action and its focus on mobilizing public and private sources of finance for implementation of countries’ INDCs. The Bank has worked closely with many LAC Governments in the design and development of the national climate strategies and plans that underpin these INDCs. Coming out of Paris it is essential that these commitments are translated into investment plans and we look forward to collaborating with others to mobilise the scale and scope of finance that will be required.”

**Virginie Pelletier, Head of Sustainable Investment and Finance, BNP Paribas CIB:**
“Defining Climate Investment Plans of countries will greatly assist in focusing the international and domestic capital markets on practical investment needs and opportunities associated with financing the economic transition to a low carbon economy, and thus to further sustainable economic development in the coming years.”

**Stephanie Pfeifer, CEO, Institutional Investors Group on Climate Change:**
“Infrastructure investment requires well-tuned collaboration between public and private actors. Earlier this year IIGCC members – who between them manage a combined €12 trillion of assets – suggested five things could significantly scale up the contribution made by institutional investors to climate finance flows into emerging economies and developing countries: public-private collaboration to blend finance to improve risk-return and make more investments feasible; predictability and transparency on future public climate finance flows both before 2020 and thereafter; the aggregation of infrastructure assets; powerful national infrastructure development plans to implement the INDCs, and key transaction enablers such as a robust project pipeline, efficient capital markets, good bank intermediation and favourable macro-economic environments with political stability.”

Further Details of Organisations Supporting the Call:

**Principles for Responsible Investment (PRI) Initiative**
PRI is a United Nations-supported international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the
implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.

Ceres
Ceres is a U.S. based non-profit that works with institutional investors and businesses on sustainable practices, focusing on economic risks and opportunities relating to climate change and other sustainability challenges. It co-ordinates the Investor Network on Climate Risk (INCR) of more than 115 asset owners and asset managers collectively managing over $13 trillion in assets.  www.ceres.org

E3G
Independent experts on climate diplomacy and energy policy, E3G works to accelerate the transition to a low-carbon economy. E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change. A European organisation with a global outlook and reach, E3G currently has offices in London, Brussels, Berlin and Washington DC, together with a regular presence in China and Latin-America.

SynTao Green Finance
SynTao Green Finance is an independent consultancy promoting sustainable finance in China. With a global vision and rich local practice, it provides consulting, research and training services in ESG risk management, green finance product innovation, and other sustainable finance perspectives. It is also the co-founder of the China Social Investment Forum.

Sindicatum Sustainable Resources
Sindicatum Sustainable Resources is a clean energy company headquartered in Singapore that is financing, building and operating 1,000 MW of renewable energy projects in India, Thailand, Indonesia and the Philippines.

Climate Bonds Initiative
The Climate Bonds Initiative is an international, investor-focused not-for-profit. It is the only organisation in the world focusing on mobilizing the $100 trillion bond market for climate change solutions.

Carbon Tracker Initiative
Carbon Tracker is a not-for-profit financial think tank aimed at enabling a climate secure global energy market by aligning capital market actions with climate reality.

Track0
Track 0 an independent not-for-profit organisation serving as a hub to support all those working to get GHG emissions on track to zero by mid-century.

Note on Global Impact Investing Network:

Formed in late 2009, the GIIN presently has over 200 members. These include not just those involved directly in investing – asset owners, asset managers and investment advisers – but also a range of other stakeholders including research centres, policy advocacy groups and policy makers, technical assistance providers, industry networks, consultants, law firms, universities, and rating agencies. GIIN houses and manages IRIS,
the generally accepted measurement system for impact investments, as well as the ImpactBase global transactions database www.thegiin.org

Notes on Organisers:

**Tessa Tennant**
Tessa Tennant has devoted her career to innovation in financial services for sustainability. She co-founded the UK's first green equity investment fund in 1988, now called the Jupiter Ecology Fund. She also co-founded The Ice Organisation, creator of the environmental rewards programme myice.com and co-founded and was first Chair of cdp.net and asria.org. She is a Non-Executive Director of the UK's Green Investment Bank, has served on numerous fund, company and not-for-profit boards. She is an adviser to Carbon Tracker, Influence Map and other initiatives.

**Ian Callaghan**
A banker by background, Ian Callaghan has worked in project finance (including the initial £7bn financing of the Channel Tunnel) and in investment banking. For the past 10 years he has focussed on the impact investing sector, including SME finance, microfinance and finance for other “base of pyramid” products and services, including clean energy. He led investment bank Morgan Stanley’s microfinance team, was the founding managing director of Enclude Capital Advisory, a specialist impact investing intermediary, and is a Senior Adviser to London-based adviser Consilium Capital.

His report analysing a sample of INDCs for their financing implications will be published during the Paris COP.

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