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Climate Economic Analysis for
Development, Investment, and Resilience

Discussion Series

Navigating the Climate Economy: Investing for Growth and Resilience

Reality Check: Investor Perspectives on Climate Finance

February 5, 2016
Crown Agents, Washington, DC

Moderator:

Eric Haxthausen,
Global Climate Change, USAID

Speakers:

Matthew Arnold, *JPMorgan Chase*
Vikram Widge, *World Bank Group*

Agenda

Welcome to the CEADIR Series

Dr. Marcia Trump, *CEADIR Chief of Party*, Abt Associates

Learning Objectives of Webinar

Moderator Overview: Realities of Climate Financing

Eric Haxthausen, *Senior Advisor, Global Climate Change Office*, USAID

Views from Leading Climate Change Financiers

Matthew Arnold, *Global Head of Sustainable Finance*, JPMorgan Chase

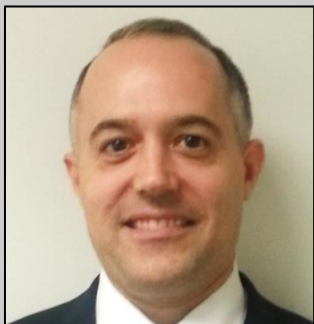
Vikram Widge, *Head of Climate and Carbon Finance*, World Bank Group

Open Forum

Learning objectives for webinar

1. The need for private sector financing to scale up investments in mitigation and adaptation actions
2. Coming off Paris Agreement, what are the expectations and realities of climate financing?
3. Key issues and current developments in climate finance from the private and donor perspectives
4. Role for governments in enabling private sector climate finance

Today's panel



Eric Haxthausen

*Senior Advisor,
Global Climate Change Office,
USAID*

Climate finance and climate-focused multilateral engagement lead for USAID

On Steering Committee of U.S. Climate Action Partnership (2007-11)

Formerly at Ecologic Institute US, The Nature Conservancy, Environmental Defense Fund, and White House OMB



Matthew Arnold

*Global Head of
Sustainable Finance
JPMorgan Chase*

Leads policy and provides guidance to identify and mitigate environmental risk and enhance bank's environmental outcomes

Formerly at PwC, World Resources Institute, IBM, Merrill Lynch, Santa Fe Trading (Hong Kong)

Co-founded Sustainable Finance Ltd. (acquired by PwC)



Vikram Widge

*Head of Climate and
Carbon Finance
World Bank Group*

Heads development of innovative climate-related financial products for emerging markets and manages WBG's carbon finance business

Led IFC climate policy, risk and adaptation, and greenhouse gas accounting and related metrics

20 years financing clean technology, 10 years in the private sector

COP21 Paris Agreement – How important to investors?

- How meaningful is the Paris agreement from the perspective of financial institutions – private and public?
- Should we expect to see any discernible short-term impact?

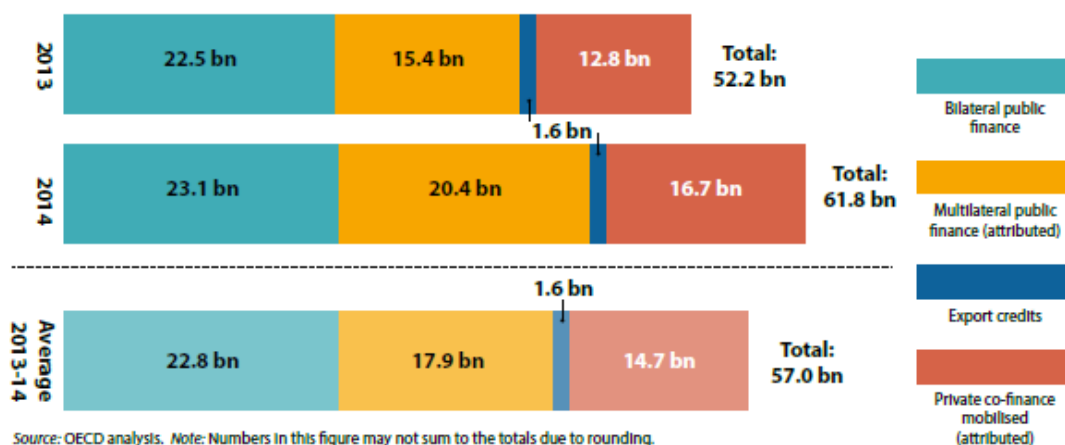
Progress toward \$100 billion climate finance commitment

October 2015 analysis found nearly \$62 billion in finance mobilized

Climate Finance in 2013-14 and the USD 100 billion goal

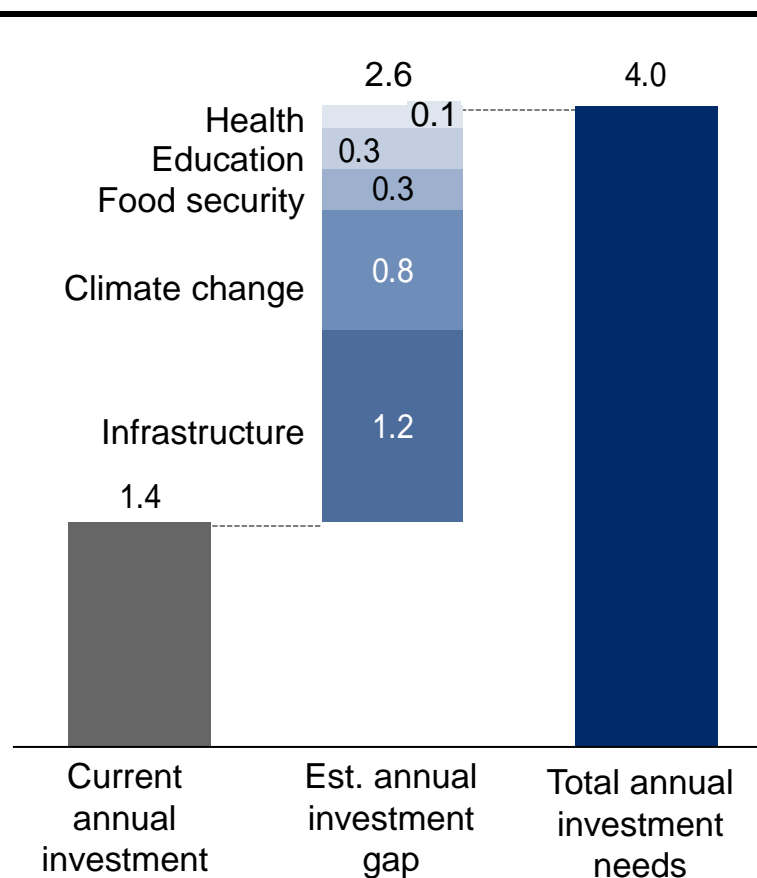
A report by the OECD in collaboration with Climate Policy Initiative

Figure 1: Mobilised climate finance in 2013 and 2014, by funding source (USD billions)



One estimate of the climate change finance gap

**Estimated investment needs in key Sustainable Development Goal (SDG) sectors¹,
\$ US (trillion)**

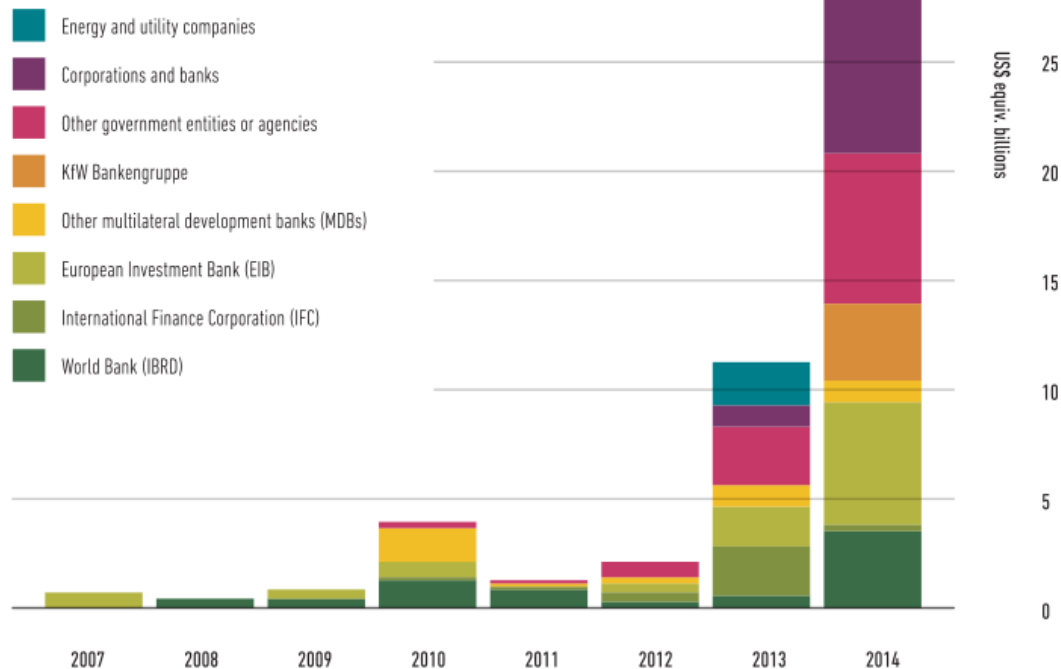


Sources & Notes: Development Initiatives, “Investments to End Poverty” (2013); World Bank Development Indicators Data; Renaissance Capital; United Nations Conference on Trade and Development. 1. Adapted from UNCTAD, “World Investment Report 2014.” Current annual investment includes both public and private investments, defined as capital expenditures. Estimated annual investment gap based on average between low and high estimates.

Green bond issuances are growing rapidly

Green Bond Issuances, by Issuer Type, 2007–14

Source: World Bank Treasury analysis based on Bloomberg data and other public sources.



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<http://treasury.worldbank.org/cmd/htm/Chapter-2-Green-Bond-Market.html>

What are key challenges to increasing private investment in climate mitigation and adaptation?

- What role can various institutions play?
- Are there distinctions between different types of climate finance?

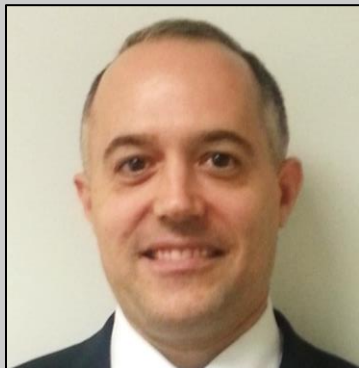
Mitigation versus adaptation financing

- Estimates of climate related investments by private interests, such as the Landscape of Climate Finance prepared annually by CPI, focus almost entirely on renewable energy and other mitigation opportunities.
- This is for several reasons, including definitional issues and the difficulty distinguishing adaptation investments from many routine investments to enhance infrastructure, improve the efficiency of water utilization, and protect assets from flooding.

Conclusion

- Institutional priorities for climate finance?
- “Wish list” for next 2-3 years?

Q&A Session



Eric Haxthausen

*Senior Advisor, Global
Climate Change Office*

USAID



Matthew Arnold

*Global Head of
Sustainable Finance*

JPMorgan Chase



Vikram Widge

*Head of Climate and
Carbon Finance*

World Bank Group

About CEADIR

CEADIR supports countries to assess and scale up low-carbon, climate resilient development.

CEADIR covers three thematic pillars of USG climate change strategy:



Adaptation



Clean Energy



Sustainable
Landscapes



CEADIR Series

- ❖ **Expert dialogues**
- ❖ **Critical issues**
- ❖ **Economic analysis**
- ❖ **Financing climate change**

Up Next

- A recording and copy of today's presentation will be sent to all attendees.
- Listen to previous CEADIR discussions on [Climatelinks YouTube page](#).
- Additional questions?
 - Dr. Marcia Trump, Chief of Party, CEADIR project, marcia_trump@abtassoc.com
 - Robert Voetsch, Project Manager, CEADIR project, rvoetsch@crownagents.com

Up next in the *Navigating the Climate Economy* discussion series:

The Socioeconomic Benefits of Climate Services

Thursday, February 18 at 9am Eastern

For more information, visit

https://ceadirseries.adobeconnect.com/feb2016_ceadirdiscussion/event/registration.html