

CLIMATE INVESTMENT OPPORTUNITIES IN EMERGING MARKETS

UNLOCKING PRIVATE INVESTMENT



IFC

**International
Finance Corporation**
WORLD BANK GROUP

May 2017

PARIS AGREEMENT BY THE NUMBERS

Signed in **2015**

196 countries



55 representing 55% GHGs needed to ratify

50,000
attendance at COP21

PRIVATE SECTOR PLEDGES WERE ALSO SIGNIFICANT



“Science-based”
emission reduction
targets - now over 200
companies



\$ billions in
Cleantech
investment

Portfolio
Decarbonization
Coalition: Investors
with \$600 bn



Commercial
banks: \$200 Bn+
pledges for clean
energy



Over 1,200 global
companies support carbon
pricing and are pricing CO2
already



Corporate 100% RE
commitments from
90 multinationals



Global Alliance on
Buildings and
Construction launched

\$23 TRILLION CLIMATE-SMART

INVESTMENT OPPORTUNITY TO 2030

21 rapidly growing emerging markets

Representing **62%** percent of the world's population and

48% of global GHG emissions

Energy efficiency and transport in Eastern Europe:
\$665 billion potential, where energy efficiency is priority sector



Green buildings in East Asia:
\$16 trillion potential, mostly concentrated in new green buildings



Renewables in Middle East and North Africa:
\$265 billion potential, over one third for RE generation & 55% for urban solutions



Climate resilient infrastructure in South Asia:
\$2.5 trillion potential, for green buildings, transport, and energy efficiency



Sustainable transport in Latin America:
\$2.6 trillion potential, almost 60% for transport infrastructure

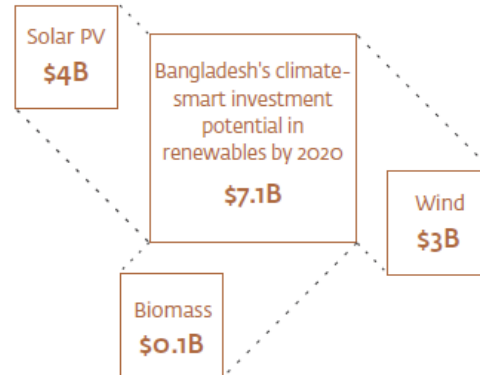


Accessible clean energy in Africa:
\$783 billion potential, including \$123 billion for RE generation

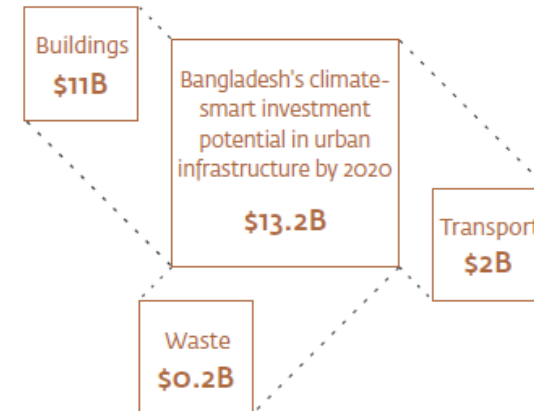


COUNTRY SNAPSHOT: BANGLADESH IN 2020

⚡ Renewable energy



🏠 Urban infrastructure



🌿 Priorities for Bangladesh to attract more climate-smart investment

PROMOTE CLIMATE SMART AGRICULTURE

Advance agribusiness through supporting seed resilience and climate insurance initiatives.

EXPAND RESOURCE EFFICIENCY

Establish energy use benchmarks and compliance mechanisms in energy-intensive sectors to stimulate industrial energy efficiency investments.

TRANSITION TO A CLEANER POWER GRID

Introduce robust commercial framework with transparent policies on PPAs, convertibility etc., to facilitate private sector participation in utility scale projects. Regulations on metering and grid interconnection are needed to capitalize on the large market opportunity in industrial and commercial rooftop solar.

BANGLADESH INDICATORS (2015)

Population: 161 million
 GDP: \$195.1 billion
 GDP growth: 6.6%
 Inflation: 6.2%
 Ease of Doing Business rank: 172
 S&P credit rating: BB-
 FDI, net inflows: \$3.4 billion
 GHG emissions rank: 43 (2012)
 Renewable energy capacity: 230 MW

LOW CARBON TARGETS

- 10% renewable energy sources by 2020
- 3.1 GW of renewable capacity by 2021

IFC CLIMATE BUSINESS (FY2010 – 2016)

Total climate finance: \$29 million
 • Energy efficiency: \$29 million

HOW CAN WE UNLOCK THE \$23 TRILLION OPPORTUNITY?

ACHIEVE NDC GOALS

- Short & long-term goals
- Budget allocations
- Align sector policies
- Get the prices right
- Market-based support
- Performance standards & mandates
- Transition Plan

STRENGTHEN INVESTMENT CLIMATE

- Reduce transaction costs
- PPP frameworks
- Investment policies
- Institutional capacity
- Transparent taxation & regulation
- Property rights
- Align financial regulations

STRATEGIC USE OF PUBLIC FINANCE

- Concessional blended finance
- Creating risk pools
- Aggregate smaller de-risked assets
- Strengthen capital markets
- Donor financing platforms

Increased government – business cooperation is essential