



15-16 October 2024 | Hybrid Conference
SUMMARY

Discussions during the 11th OECD Forum on Green Finance and Investment centred on the theme “Shifting the financial system and strengthening enabling environments to mobilise trillions”. As in previous years, the 11th edition of the Forum brought together leading global actors to promote collaboration and action on key policy issues and solutions to advance the green and sustainable finance agenda. Sessions at the forum considered how key stakeholders are responding to the critical need to address the financial system's misalignments with environmental objectives and to mobilise private investment for climate action, resilience and biodiversity. Other key topics included re-imagining the financial system, mobilising institutional investment towards EMDEs, green public finance, unlocking investments in adaptation, mobilising private finance for biodiversity and the role of financial regulators and supervisors in scaling up green finance.¹ Replays of the sessions are available [here](#).

Day 1 - Tuesday 15 October

High-Level Plenary: Reimagining a financial system fit for the 21st century

Concerns were raised that continued insufficient progress in reducing global GHG emissions could lead to a 2-to-3-degree Celsius world, and the potential for a billion climate refugees by 2050. Panellists suggested that such an outcome, and its severe geopolitical, economic and financial impacts, is not reflected in governments' and financial institutions' climate- and nature-related risk assessments and risk management.

The discussion highlighted that these significant risks call for a closer examination of how key government actors, including financial regulators and central banks, can take further steps to prevent a disorderly transition and, where their mandates allow, to better align the financial system with critical environmental objectives.

Panellists suggested that, in light of the use and effectiveness of previous global financial interventions, such as quantitative easing, a singular disruptive intervention may be necessary to prevent a disorderly

¹ The opinions expressed over the three days of the Forum and reported in this Summary are solely those of the Forum participants and do not necessarily reflect the official views of the OECD or its member countries.

transition. For example, a flexible credit model could be implemented, with preferential rates tied to credible climate transition plans.

High-Level Plenary: Mobilising institutional investment towards emerging economies for climate action: The role of investment funds in channelling green capital flows

To scale up climate action in EMDEs, panellists noted that there is a critical need to reform the development finance architecture to enhance the effectiveness of blended finance in derisking and mobilising private finance for clean energy and broader climate action.

The session highlighted that it is also essential to improve the macro-economic framework conditions in EMDEs and to remove regulatory barriers in OECD countries that prevent institutional investors from investing in these regions.

Panellists called for governments to rethink what policies are needed to ensure that companies striving to meet their net zero target remain competitive and attractive.

Green public finance and the net-zero transition

Additional public investments and public-private collaborations are necessary to bridge the current financing gap. Panellists called for governments to take a leading role in shaping a vision for a future-proof, inclusive society and fostering political support for initiatives like the European Green Deal. Public finance should address market failures, ensuring that long-term objectives have priority over short-term profits.

The session highlighted that transparency, accountability and clear targeting are fundamental for ensuring the effectiveness of public climate investments. Public funds directed towards climate action must be supported by strong monitoring, transparency and auditing requirements to guarantee cost-efficient spending. Focusing on key areas like renewable energy, energy efficiency and circular economy can maximize the impact of public climate finance.

Panellists urged governments – which are uniquely positioned to be drivers of change - to lead by creating frameworks that mobilize both public and private resources. By addressing market limitations through policies and investments, governments can ensure that climate goals are met in a comprehensive and equitable manner, leveraging both public and private contributions for maximum impact.

The state of play of corporate transition planning: From theory to implementation

Developing credible corporate transition plans is crucial for collectively achieving net-zero. However, despite significant efforts at both national and international level, there is still no universal standard for creating these plans, and progress remains insufficient. Corporate transition planning is progressing, but less than 1% of companies currently have credible plans.

Alignment with the Paris Agreement and economic credibility are key to prevent greenwashing and secure transition finance, especially in high-emitting sectors and emerging economies.

Moreover, public-private partnerships and enabling frameworks are vital to accelerate credible corporate transition efforts.

Effective transition plans need supportive policies beyond taxonomies and disclosure frameworks. Harmonizing global standards while addressing data challenges is key, especially in supply chains and emerging countries. De-risking investments and exploring transition finance opportunities in different sectors, and not only the hard-to-abate sectors, is also important.

Companies often lack clear guidance from governments on upcoming policies. Better coordination and mutual signalling between businesses and governments are needed for success, including through the development and iteration of national and sector-specific transition plans. Governments should also define credible transition criteria and develop climate investment plans at sector and national level.

Aligning finance with climate policy goals: Is disclosure effective to inform robust assessments and drive decarbonisation?

While climate-related disclosure has increased and improved significantly over the last few years, it is still limited in its ability to drive real-world emission reductions. The panel highlighted that effective alignment of financial portfolios with climate goals requires not only transparent reporting but also specific policy tools, enforcement, and incentives for implementation.

Financial institutions face challenges in transition planning as aligning portfolios with emission reduction trajectories is a complex task. Panellists highlighted that current data limitations, particularly regarding Scope 3 emissions, make it difficult for institutions to fully account for their climate impacts. Moreover, portfolio alignment with net-zero targets does not guarantee real-world GHG reductions, underscoring the need for science-based frameworks and better data for informed decisions.

Effective climate policies, such as carbon pricing and differentiated interest rates based on environmental impact, can support financial institutions in making sustainable investment decisions. However, panellists stressed that these policies and approaches need to be well-designed and robustly implemented to encourage meaningful climate action and close the investment gap for climate-aligned projects.

Mobilising private capital for industry decarbonisation: The role of international co-operation and partnerships

Financial and technical assistance can play a key role in enabling private finance mobilisation for decarbonising hard-to-abate industry sectors in developing countries. Yet, such assistance has not received sufficient attention to date, nor has it been delivered at the scale and pace needed to reach net zero. The recently published OECD [mapping paper](#) on financial and technical assistance for industry decarbonisation in EMDEs highlights key areas for action.

International financial institutions (IFIs) and multilateral development banks (MDBs) play a key role by providing technical assistance, concessional finance and risk mitigation. The discussion highlighted that an integrated approach addressing financing instruments, risk mitigation, knowledge-sharing and capacity building can help attract investment for industry decarbonisation in EMDEs.

International co-operation and co-ordination are critical for overcoming technological, regulatory and financial barriers. Panellists underscored that global initiatives, such as the Climate Club, can foster partnerships, dialogues and investment mobilisation. Philanthropies and institutional investors can also play a catalytic role in aligning efforts with global climate goals.

High-Level Plenary: Mobilising finance and investment for adaptation and resilience

Panellists urged ministries of environment, finance and other relevant ministries to work together to provide clear signals to investors and create a more coherent approach to scaling up investment in resilience. Aligning the broader policy framework with resilience goals is essential to encourage and increase investment in adaptation.

Physical climate risk is an important driver of investment in adaptation. There is a need to understand the scale of risks and who “owns” those risks -- and therefore the benefits of investment in adaptation. Panellists called for common metrics to understand the benefits of investing in adaptation, moving beyond risk reduction. They also emphasised the importance of strengthened adaptation planning processes to support the generation of investable projects.

The OECD’s [Climate Adaptation Investment Framework](#) outlines key policies that governments can adopt to build the market for adaptation and unlock the necessary investment.

Day 2 - Wednesday 16 October

High-Level Plenary: Mobilising private finance for biodiversity

Much remains to be done to mainstream biodiversity in investment strategies and corporate decision-making. Panellists stressed the need to quickly move from awareness raising to means of driving long-term and meaningful investment in biodiversity.

While nature is a rapidly growing asset class, significant barriers to investment remain, including short-term investment horizons. The discussion called for clear regulatory policy frameworks and market signals to boost private investment, including reporting and disclosure requirements and biodiversity offset regulations.

It is not possible to successfully address the climate challenge without giving due consideration to biodiversity loss. The panel highlighted that due to dependencies of companies and the economy on nature, investing in biodiversity is investing in resilience.

How can public sector green and sustainability-linked bonds live up to their potential?

The green, social, sustainability and sustainability-linked (GSSS) bond market has grown significantly across the world, but issuances reflect stark regional differences and are not happening in the countries with the greatest financing needs. Of the 45,000 securities currently listed on the Luxembourg Stock Exchange, only 4,000 are GSSS bonds, including 1,000 green bonds and only 100 sustainability-linked bonds (SLBs).

Panellists noted that international initiatives such as the ICMA Green Bond Principles or the EU Green Bond Standard can help grow the market by providing guidance to issuers and confidence to investors. It is important for new Standards/Principles to be harmonised with existing ones but also practical and adapted to local contexts, and development actors can help with the latter.

SLBs hold a lot of potential, especially for developing country issuers, due to their flexibility as they are not tied to specific use-of-proceeds. However, experts emphasised that SLBs need well-defined and well-designed key performance indicators (KPIs) that are realistic and measurable to boost transparency and investor confidence.

Unlocking investments for water

The water financing gap remains vast despite the high costs of inaction estimated at USD 400 billion annually. The session centred on the idea that financing water requires a mission-driven and multi-sectoral approach, as water is central to all SDGs and economic sectors, and mobilising investments for water needs to take place at country, corporate and project levels.

Panellists urged insurers to play a stronger role in addressing the water crisis by undertaking long-term risk assessments and using their political power to influence policy decisions. Allowing the appropriate pricing of long-term risks can help discourage people from building in flood-prone areas.

National Development Banks (NDBs) represent an untapped potential for financing water, as they typically invest less than 5% of their portfolio in water. Panellists highlighted that peer support, tools and technical assistance, such as those provided by the Water Finance Coalition, can help support NDBs' efforts to increase the share of water in their investment portfolios.

Institutional investor engagement and stewardship

Institutional investors own 41% of the shares in the 100 listed companies with the highest disclosed greenhouse gas emissions globally and thus play a pivotal role in shaping the future of financial markets and corporate governance, particularly as it relates to sustainability.

Institutional investors have begun integrating sustainability-related risks and opportunities into their engagement activities, alongside traditional areas such as strategy, capital allocation and corporate governance.

Panellists emphasised that stewardship is not and never has been a one-size-fits-all activity, with each steward adopting tailored strategies to deliver long term sustainable growth for their beneficiaries. Despite these varied approaches, the discussion highlighted a common principle: effective stewardship needs to involve high-quality disclosure that supports decision-making.

Accelerating sustainable finance for SMEs: How can good practices be scaled up?

The session highlighted the need to gather various stakeholders, including financial institutions, public bodies, service providers and SMEs, among others, to create a diverse ecosystem for identifying current challenges and developing solutions to help SMEs transition toward sustainability.

A global, simplified and standardised ESG reporting framework was identified as a key priority for SMEs to begin their sustainability journey. Panellists recommended a bottom-up approach, starting with identifying one key data point for SMEs to report on, and then building on this. A standardised framework would also align data requirements from different sectors.

Panellists highlighted the need to move beyond regulation and introduce incentives for financial institutions, large companies and SMEs to enhance SME sustainability. These incentives can be non-financial, such as capacity building, or financial, such as guarantees to mitigate green financing risks for SMEs, with the latter identified as a crucial tool to enhance green finance provision to SMEs.

High-Level Plenary: The role of financial regulators and supervisors to unlock green finance

The international financial architecture works very well for addressing short term financial crises, but not climate change or biodiversity loss. Panellists stressed that it is essential in the green transition to strike the right balance between a step change and a gradual approach, factoring in country circumstances as needed.

The session highlighted three policy priorities:

- First, participants called for the OECD to pursue new work on ensuring the international financial architecture is aligned with climate change.
 - Second, it is essential to elevate transition plans to a macro prudential policy framework.
 - Third, nature needs to be front and centre. Panellists highlighted the necessity to challenge supervisory bodies, especially the Basel Committee on Banking Supervision, to make progress on nature.
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15-16 October

11th Forum on Green Finance and Investment: Key Numbers

Participation

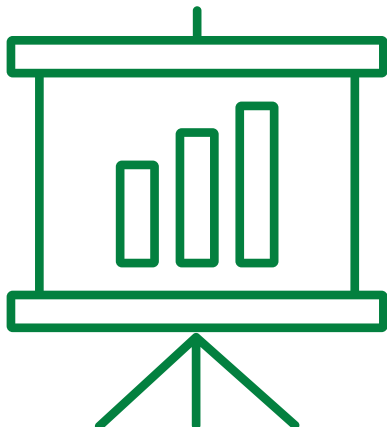
80+ speakers

including leading global actors in the financial industry, policymaking, academia and civil society.



1400+ participants

300+ in person and **1100+** virtual participants from around **110** countries.



15+ sessions

on a wide range of pressing green and sustainable finance issues, ranging from the acceleration of transition finance, the mobilisation of finance and investment for the energy transition in developing economies, the scale-up of adaptation finance, to the integration of biodiversity-related financial risks.

Social Media



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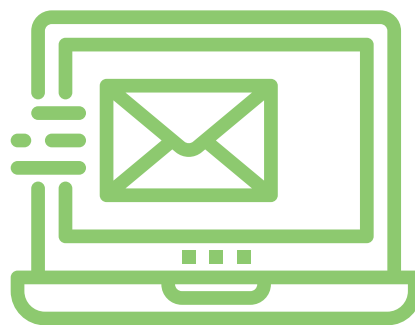
#OECDgfi posts
gaining **3.2M**
impressions



LinkedIn:

Multiple posts
led to over
1,110+ likes

Email Outreach



Mailouts to
6,800+ key
contacts

Message to IISD lists
(Biodiversity, Climate &
Water)

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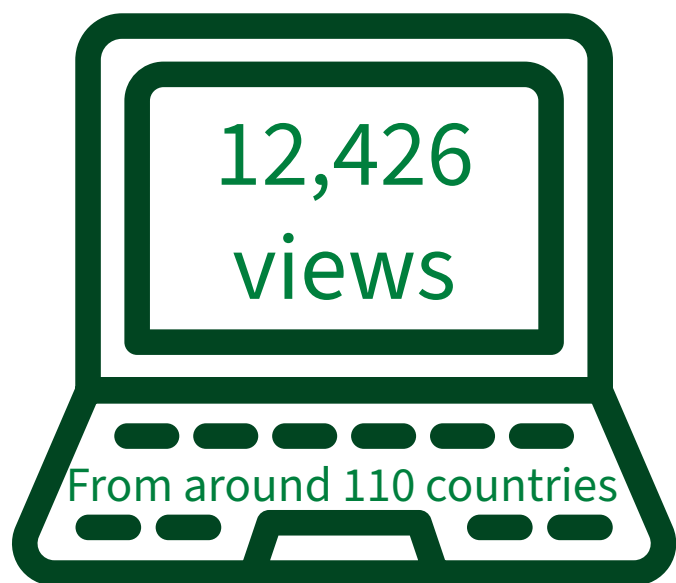
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- ✓ In the Forum draft agenda and mailouts to registered participants
- ✓ Dedicated X posts and promotional Forum LinkedIn posts
- ✓ The ENV newsletter sent out on 13 September and 9 October

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Forum Websites

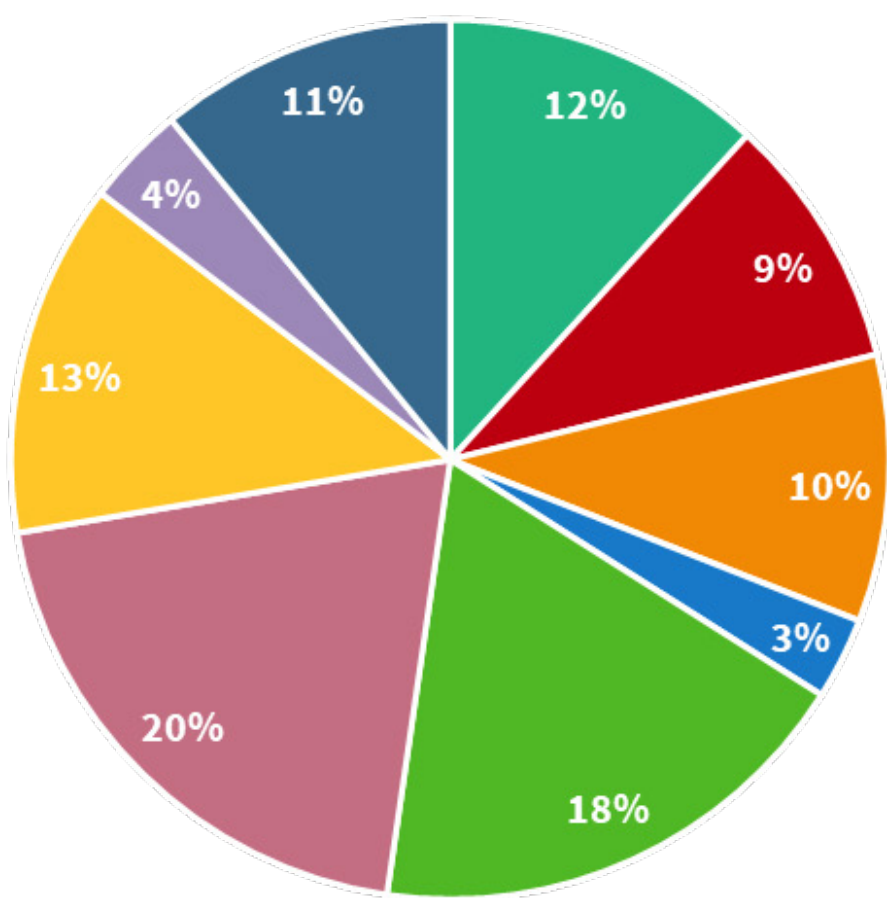


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- Multilateral Organisations & Development Banks 20%
- Other 13%
- Financial Regulator/Supervisor 4%
- Civil Society/Non-governmental Organisation (NGO) 11%



Insights from Participants

98% of participants would like to attend the 12th edition of the Forum, and 97% would highly recommend to others



Diversity of topics and excellent level of speakers.

I deeply appreciated the quality of the speakers and their cutting-edge vision on contemporary challenges. Their insights on sustainable finance were both inspiring and informative.

Lively panels. The openness, quality of talks and discussions. Good agenda.

Candid discussions from a variety of those in the field.

Open discussions with different points of view, but a common feeling about the urgency of "correcting" the financial system.

Knowing all the current state of affairs.

Professional quality of exhibitors.

Topics are well positioned to delve, discuss and fashion out solutions on the subjects.

The interventions from private investors and asset managers were very insightful.

Panel discussions & creative thinking.

