

Mobilizing Finance for Climate Action Through the Invest4Climate Platform

Meeting the Paris Agreement's climate commitments requires climate-resilient, low-carbon investments at an unprecedented speed and scale. The demand from countries to finance these investments – including through their Nationally Determined Contributions (NDCs) - is large and growing and, if well planned, can support sustainable growth and improved livelihoods and jobs while delivering climate benefits. There is abundant financial capital available but much of it is currently earning low or even negative returns. For many reasons, including inappropriate policy environments and the lack of appropriate risk mitigation mechanisms, this capital is not flowing to investments with climate benefits at sufficient scale. Globally, there is a failure to match demand for climate action with supply of finance.

Complementary to existing climate financing mechanisms, the **Invest4Climate** platform provides an opportunity to further mobilize, coordinate and deliver the finance needed to help countries make the transition to a low-carbon resilient future, while creating jobs and building prosperity. Acting as a broker, and without its own balance sheet, the platform aims to:

- bring visibility to potential investments and identify opportunities for action and investment
- mobilize multiple sources of finance and combine them most effectively to maximize deployment and impact
- identify barriers to scaled up investment and develop solutions and political support to address them
- facilitate the identification and allocation of risk to those who can best bear and manage them and hence facilitate appropriate financial structuring to crowd in additional funding

To make this happen, the World Bank Group will partner with the [UN](#) development system in jointly convening the platform, bringing together key decision-makers in countries and various kinds of financial institutions (including private sector investors and foundations) to identify and implement potential transformational investments. These include for example the accelerated roll out of renewable energy, large-scale development of battery storage, electric vehicles, and low-carbon air conditioning systems.

Invest4Climate will bring together established development and climate finance institutions (DFIs), such as the World Bank Group, other MDBs, the GCF and DFIs, and other actors in the development and climate finance space including philanthropic foundations, to work together with private sector companies and country and sub-national representatives on this agenda.

The World Bank Group and UN partners will jointly convene the platform. In support of potential deals, concessional and development finance providers, could provide institutional backing and risk-reducing instruments to investors, countries and other partners. They will work, on demand, with country partners to help build the enabling conditions for finance to flow.

Capital providers and development partners can draw on each other's comparative advantages and engage flexibly and creatively to provide grants, concessional finance, development finance, guarantees and commercial finance to accelerate climate action, including:

- Providing long-term development finance with different degrees of concessionality through a range of instruments (loans, grants, guarantees, policy lending etc);
- Providing grant financing and capacity building support and providing know-how, technical assistance and advocacy to operate at the national and global levels;
- Targeting interventions to help stimulate innovation and crowd in private sector finance;
- Promoting commercially viable projects and increasing confidence in the contractual environment;
- Financing and scaling up innovation.

The benefits of **Invest4Climate** include:

- Developing new solutions and knowledge to “crowd-in” private capital, know-how, and mobilizing resources to accelerate and scale early-stage climate entrepreneurship in frontier markets, creating jobs and stimulating green growth;
- Accelerating cost reductions to make renewables and other new technologies competitive with fossil fuels and older technologies by working with committed governments to support sound policies, and by using concessional, philanthropic and development finance judiciously to crowd in private finance;
- Accessing the input from the best innovation and innovators at the start of creating investment plans;
- Using experiences to share best practice and accelerate learning by making available transaction and associated documentation, as appropriate, as templates on an open source basis.

Invest4Climate will be supported by national finance ministers, climate thought leaders, chief executives of firms, foundations and financial institutions, as well as senior representatives from the UN and the World Bank Group.

It will not have its own funding sources but will complement existing climate and development finance initiatives and institutions.

The platform will be further developed in close collaboration with partners at the forthcoming [World Bank/IMF Annual Meetings](#) and [COP23](#). The first **Invest4Climate** initiatives are expected to be highlighted at the Climate Summit in Paris in December 2017.