In the developing world, the ingredients for a new, low-carbon economy that can sustain growth while mitigating greenhouse gases and adapting to climate change are coming together. Innovators are developing climate-relevant technologies while leaders in government work to create policies that encourage their adoption. At the same time, private capital is flowing into developing countries at unprecedented levels — an estimated $989 billion in net inflows in 2011. If this rising tide of private capital can be coaxed towards climate-relevant investments, and those investments can be proven to be as safe and profitable as their high-carbon counterparts, a flood of greener private investment will follow.
THE PUBLIC SECTOR’S ROLE | The World Resources Institute’s “Climate Finance and the Private Sector” (CFPS) project, launched in 2012, is designed to help leaders in the public sector seize this opportunity to leverage private investment in a low-carbon future. CFPS seeks to influence the public sector to expand its role in effectively unlocking private capital, through:

REDUCING RISK // For many private sector financiers, innovative green technologies (such as solar power) are untested investments, and therefore perceived as riskier than their business-as-usual counterparts (such as coal-fired plants). Public financing can play a critical role in mitigating that risk and encouraging significant shifts in long-term private investment.

DIRECTING INVESTMENT // The public sector can serve as a bellwether for private sector investors, helping to identify what types of climate-relevant investments are most appropriate for particular markets.

MAXIMIZING PRIVATE AND PUBLIC BENEFIT // The public sector can fulfill its responsibility to the economy and to the public by ensuring that the greatest economic and environmental benefits are generated at the lowest possible cost.

THE WORLD RESOURCES INSTITUTE’S ROLE | Through CFPS, WRI will create a paradigm shift in the way the public sector unlocks private investment. We will use a mix of:

ROBUST RESEARCH AND ANALYSIS // Through the first-ever detailed mapping of financing instruments used by various public and private institutions to finance climate-relevant projects, WRI will determine what tools and approaches are most effective at leveraging private climate investment.

CONVENING // With its strong connections to public and private sector actors, WRI will serve as a translator between the complex languages of private sector investors and public sector policymakers through workshops, educational forums, and targeted meetings.

COMMUNICATIONS AND OUTREACH // Building on its research and convening activities, WRI will play a central role in influencing high-level public and private sector decisions on climate finance through its rapid response communications and engagement with bodies like the Green Climate Fund.

In each of these activities, the project engages the three main sources and channels of public climate finance as illustrated in the diagram below. Our approach is further enhanced by our strong external ties with private sector financial institutions and our internal collaboration with WRI’s broader work on Climate Finance, including the “International Financial Flows and the Environment” project that works with major development finance institutions.
THE FUTURE: ROBUST, THRIVING, AND SELF-SUFFICIENT
PRIVATE FINANCE FOR CLIMATE CHANGE | The convergence of technological advances, increasing investment, and the urgency of climate change has created an exciting but narrow window of opportunity for the public sector to leverage private capital towards solving the biggest environmental and development challenges facing humanity. WRI's Climate Finance and the Private Sector project will drive greater coordination between public sector leaders and private sector financiers and investors to create financial markets where climate-relevant projects are the norm, not the exception.
RELEVANT PUBLICATIONS

CURRENT PUBLICATIONS
- Moving the Fulcrum: A Primer on Public Climate Financing Instruments Used to Leverage Private Capital (2012)
- Public Financing Instruments to Leverage Private Capital for Climate-Relevant Investment: Focus on Multilateral Agencies (2012)
- Public Financing Instruments to Leverage Private Capital for Climate-Relevant Investment: Focus on Bilateral Institutions - United States
- Public Financing Instruments to Leverage Private Capital for Climate-Relevant Investment: Focus on National Development Banks - Brazil

FORTHCOMING PUBLICATION TOPICS
- Investment Readiness: The Role of International Climate Finance in Creating Attractive Investment Conditions for Low-Carbon Energy
- A Landscape of Public and Public-Private Initiatives to Scale Up Climate Finance and Options to Improve Their Collective Impact

OTHER PUBLICATIONS
- Blogs and articles that address, explain, and comment on climate finance issues and developments relevant to private sector involvement, for instance, the Green Climate Fund private sector facility
- Independent case studies and supplementary documents highlighting various aspects of successful private sector participation in climate finance

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ABOUT WRI

WRI focuses on the intersection of the environment and socio-economic development. We go beyond research to put ideas into action, working globally with governments, business, and civil society to build transformative solutions that protect the earth and improve people’s lives.

Solutions to Urgent Sustainability Challenges
WRI’s transformative ideas protect the earth, promote development, and advance social equity because sustainability is essential to meeting human needs today, and fulfilling human aspirations tomorrow.

Practical Strategies for Change
WRI spurs progress by providing practical strategies for change and effective tools to implement them. We measure our success in the form of new policies, products, and practices that shift the ways governments work, businesses operate, and people act.

Global Action
We operate globally because today’s problems know no boundaries. We are avid communicators because people everywhere are inspired by ideas, empowered by knowledge, and moved to change by greater understanding. We provide innovative paths to a sustainable planet through work that is accurate, fair, and independent.

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