



# Financing the Transition to Net Zero, Climate Resilient Societies

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LCS-Rnet 12<sup>th</sup> Annual Meeting

16 December 2021

# THE CLIMATE FINANCE PARADOX

## Negative-Yielding Debt Mountain

\$13 trillion of bonds are guaranteed to inflict a loss if held to maturity

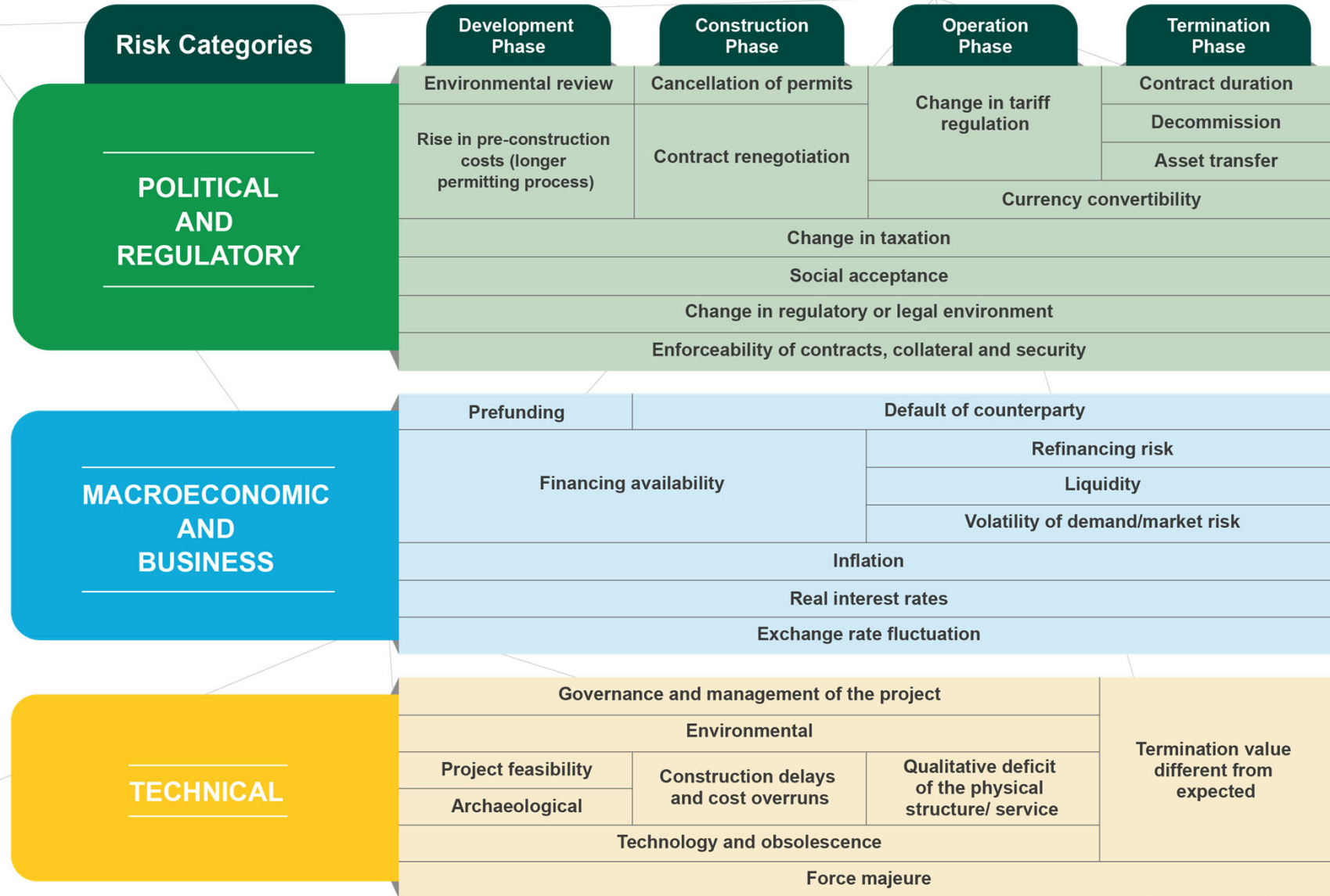
■ Negative-Yielding Bonds in the Bloomberg Barclays Global-Aggregate Index



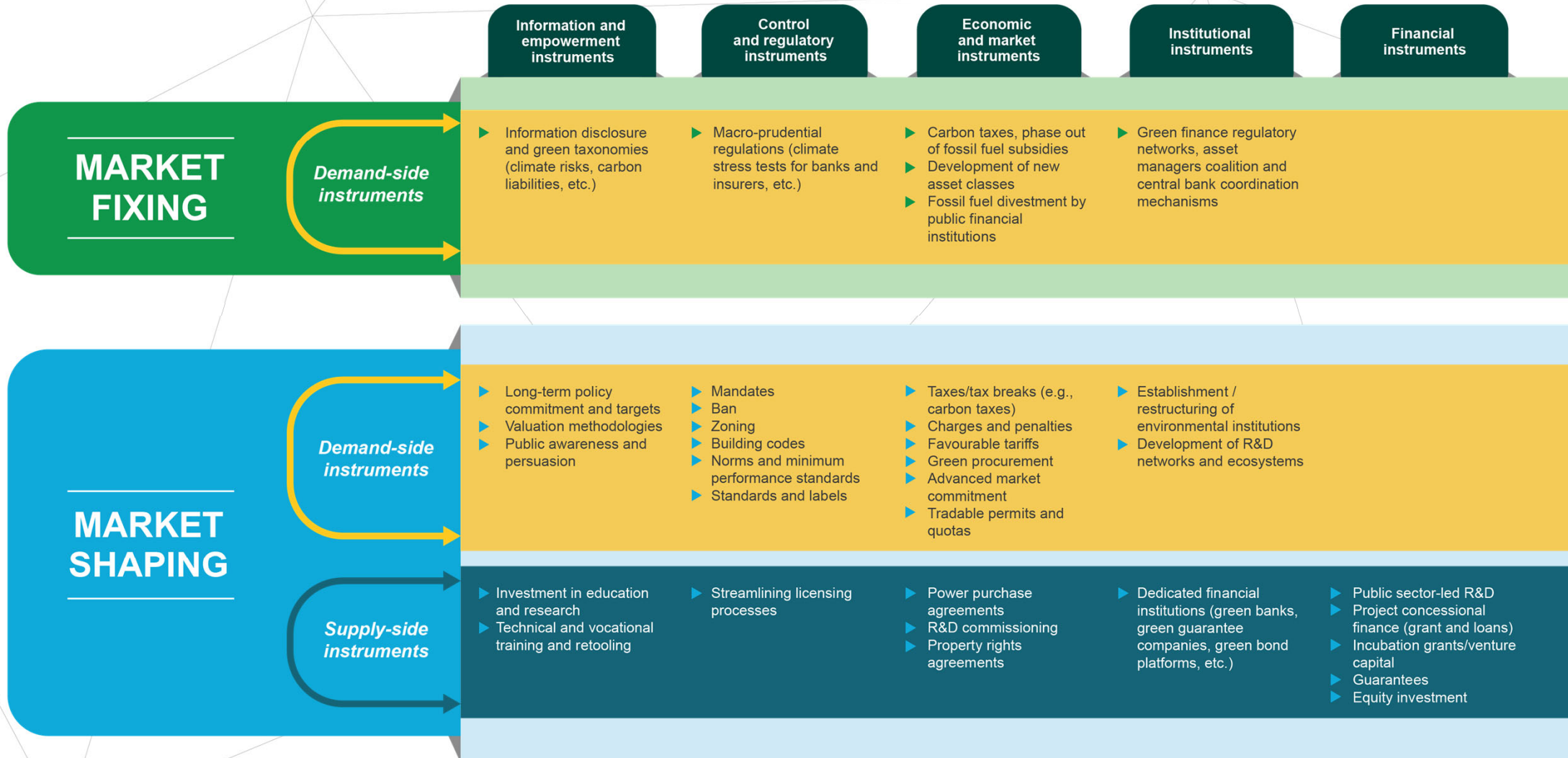
Source: Bloomberg



# BARRIERS TO LOW EMISSION, CLIMATE RESILIENT INVESTMENTS



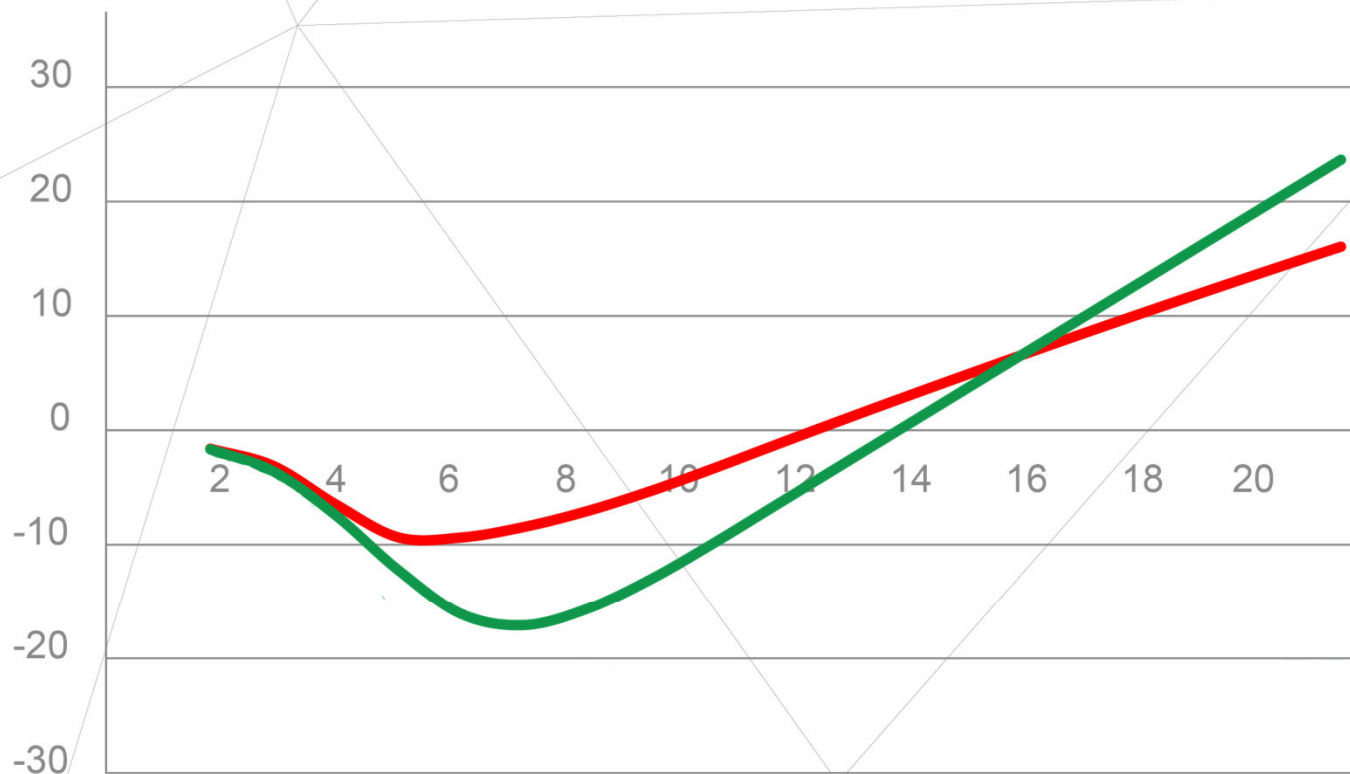
# GREEN MARKET TRANSFORMATION



# BASE CASES IN LOW FINANCING COST ENVIRONMENT



Cumulative  
Cash flow %



Time  
(Months)



High-carbon  
projects

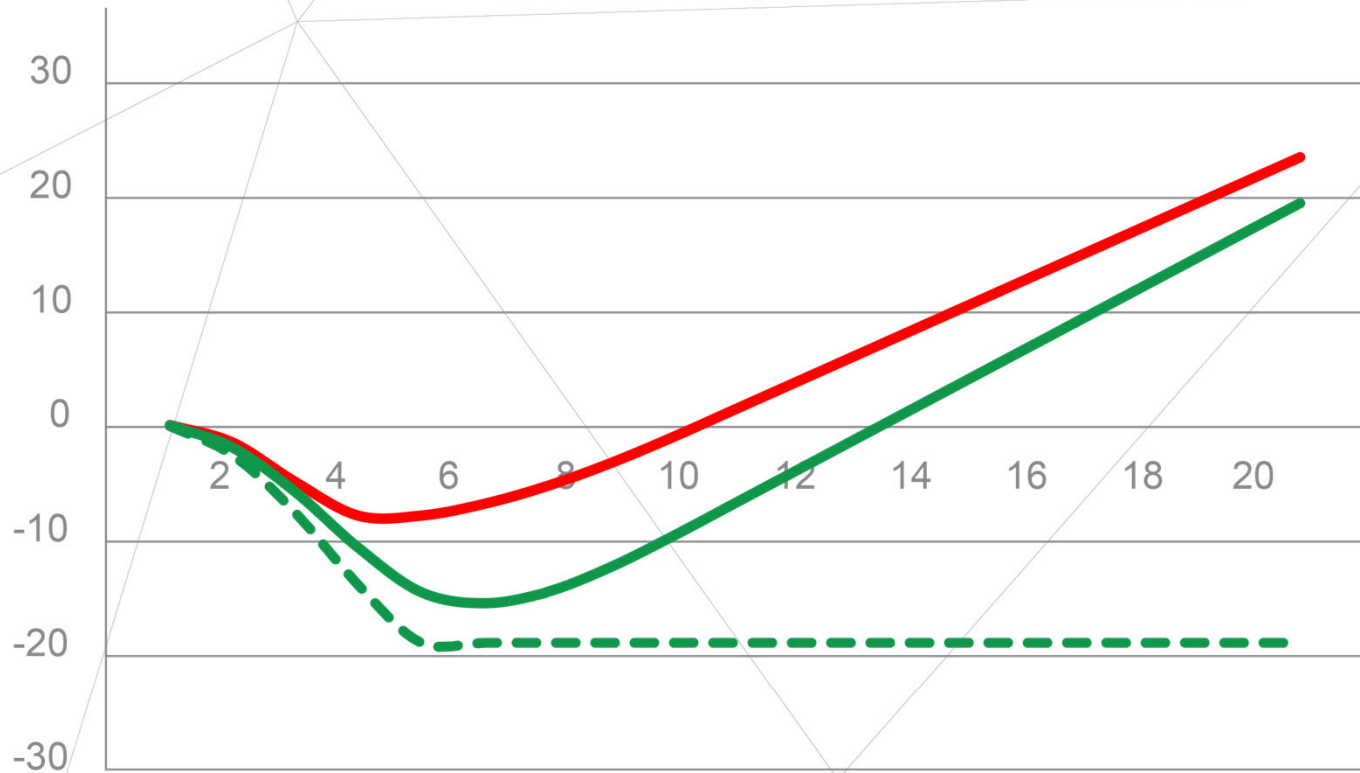


Low-carbon  
climate projects

# BASE CASES IN HIGH FINANCING COST ENVIRONMENT



Cumulative  
Cash flow %



Time  
(Months)



High-carbon  
projects

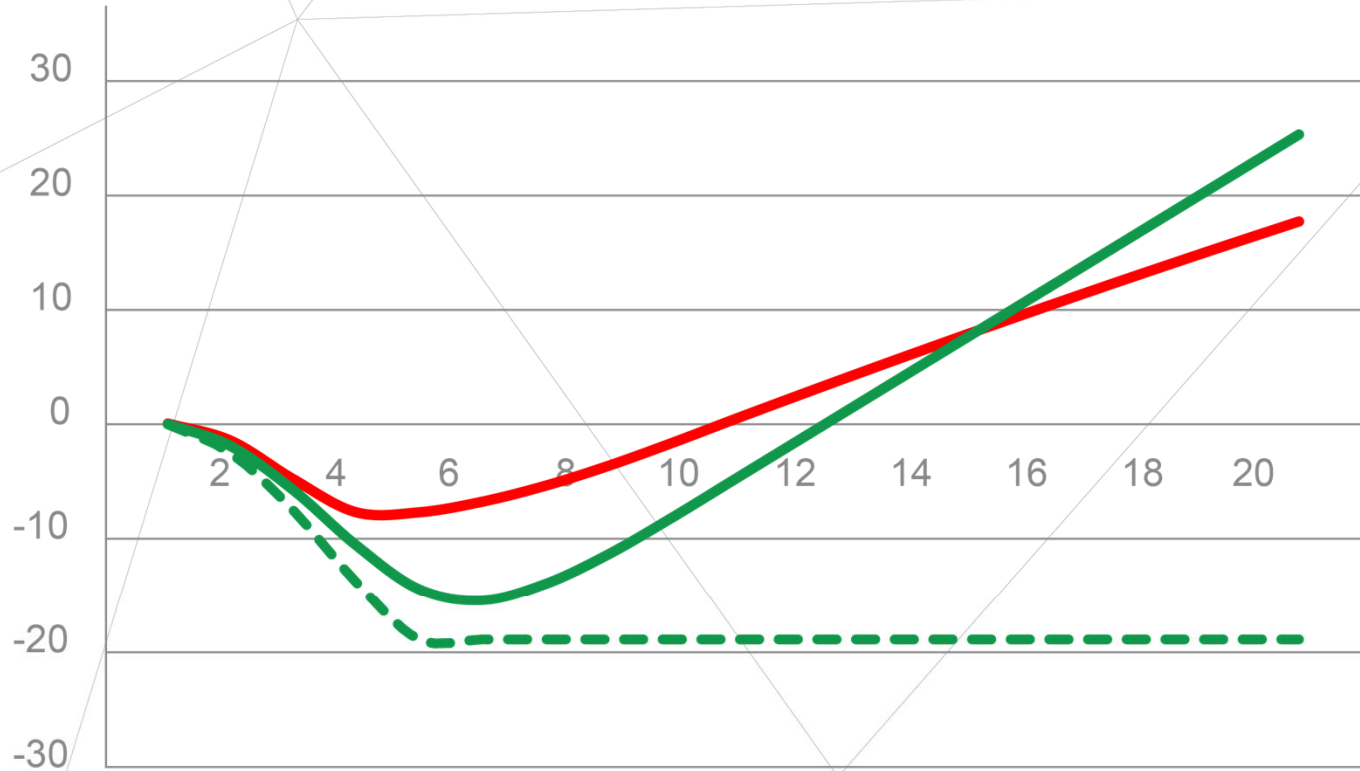


Low-carbon  
climate projects

# CARBON TAXES + LOWER INTEREST RATES



Cumulative  
Cash flow %



Time  
(Months)



High-carbon  
projects

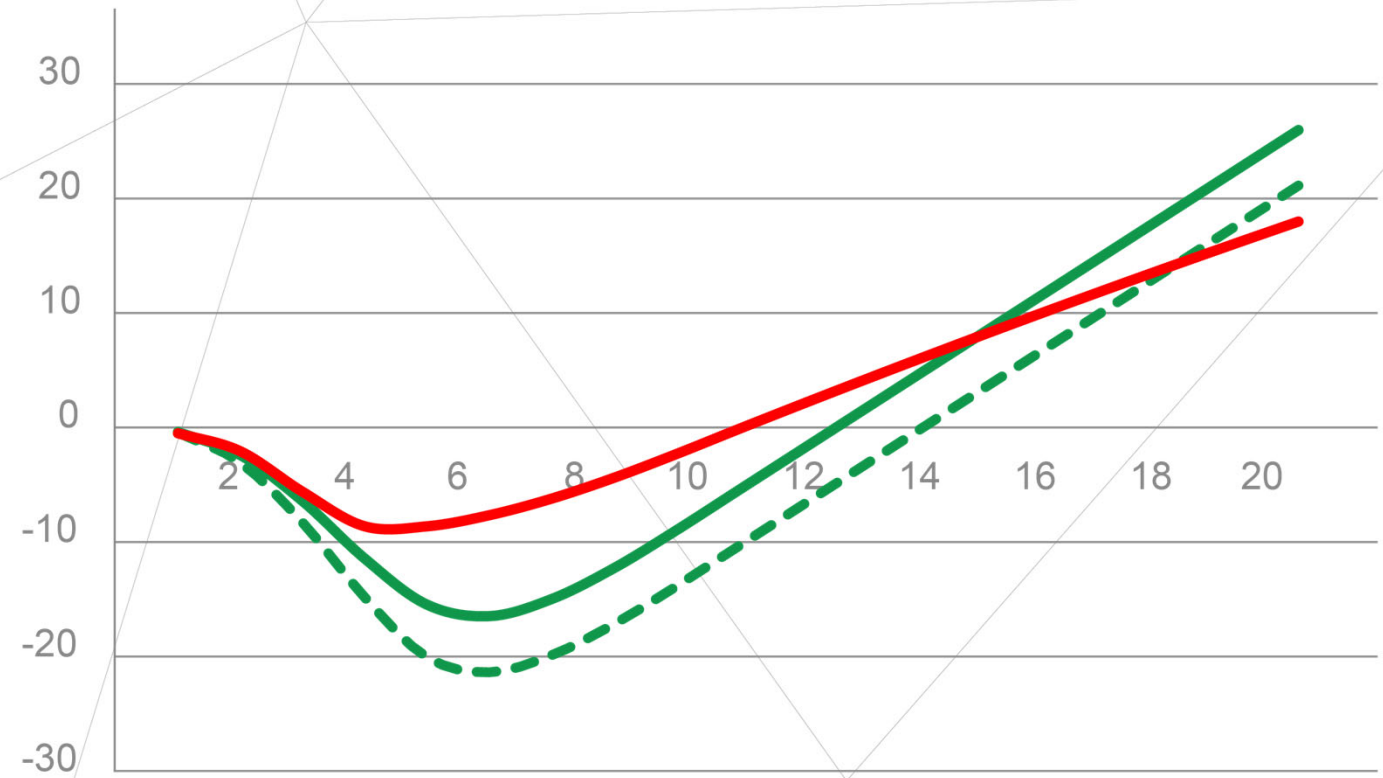


Low-carbon  
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# CARBON TAXES + LOWER INTEREST RATES + UP-FRONT DE-RISKING



Cumulative  
Cash flow %



Time  
(Months)



High-carbon  
projects



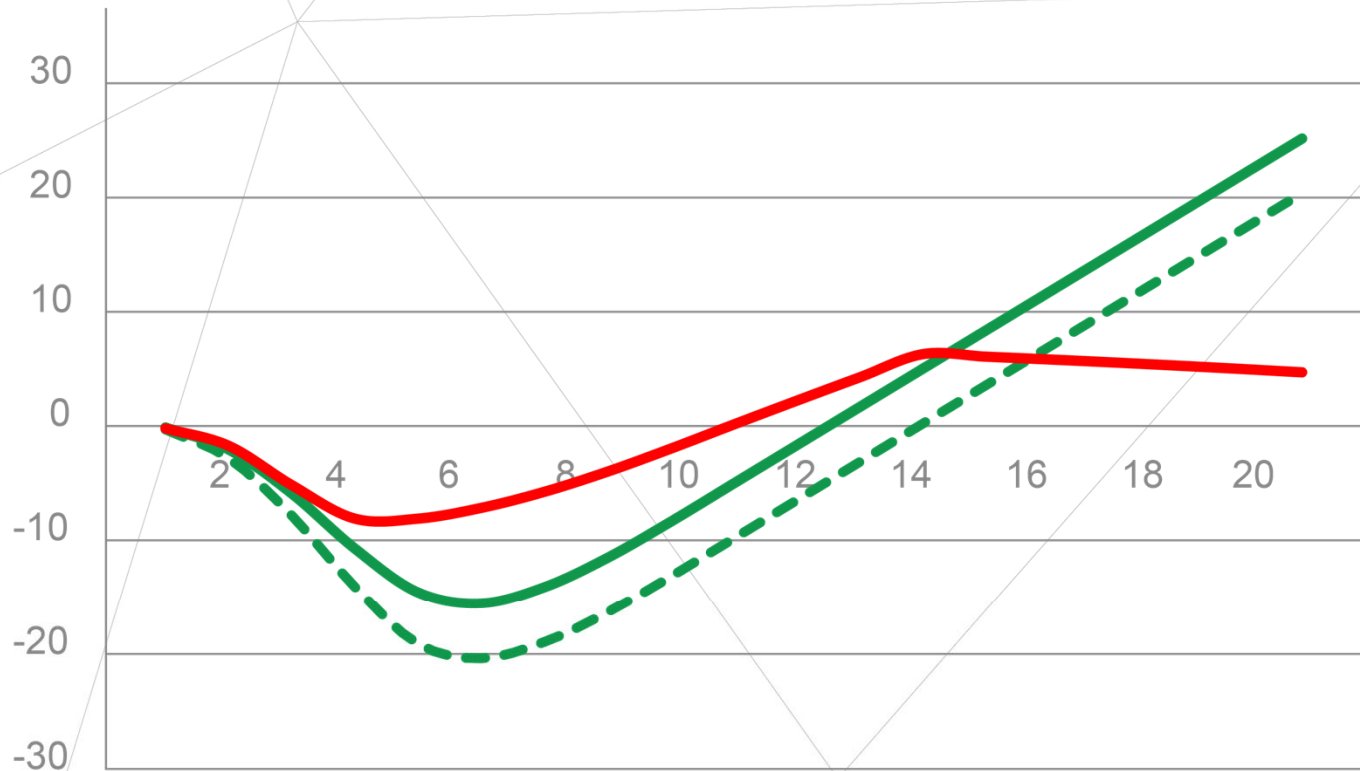
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# WHEN PHYSICAL AND TRANSITION RISKS COME INTO PLAY



Cumulative  
Cash flow %



Time  
(Months)



High-carbon  
projects

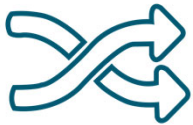


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# ABOUT THE GREEN CLIMATE FUND

**01**

Enabling policy  
environment for  
climate action



**02**

Catalysing  
innovation



**03**

De-risking the  
deployment of  
new climate  
solutions



**04**

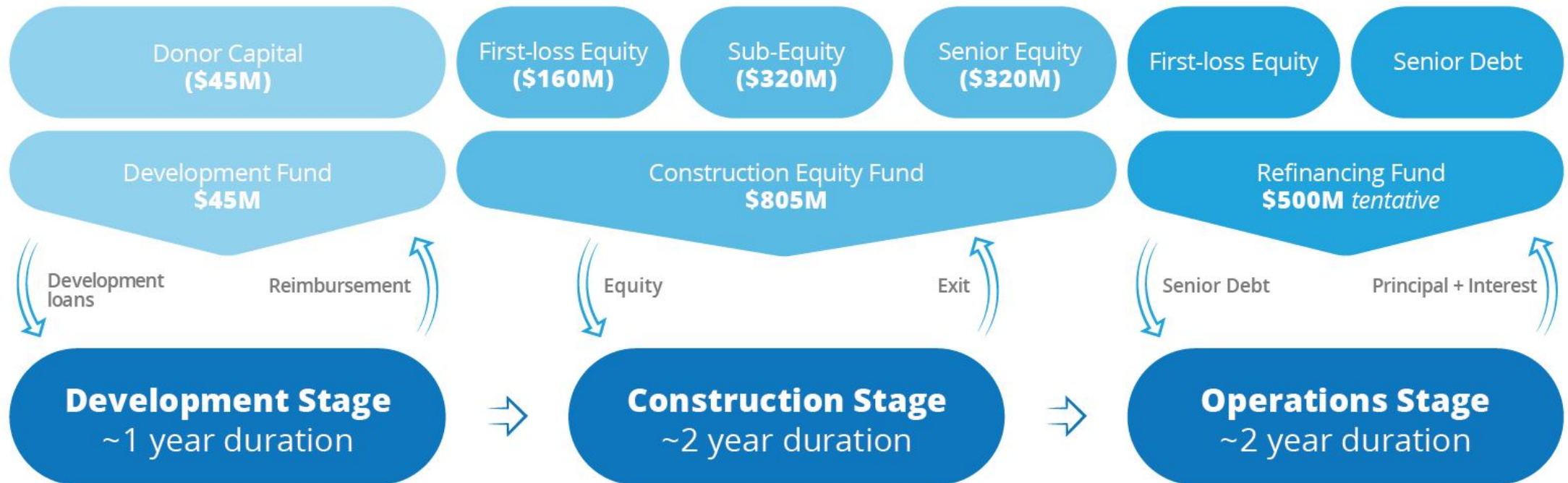
Financing the  
widespread  
diffusion of  
new climate  
solutions



# CLIMATE INVESTOR ONE



Figure 3: CIO structure and capital flow



Scan the QR  
codes for more  
information

