

The Nordics back efforts to mobilise private investments to accelerate climate action and green recovery

The consequences of climate change are evident. We are already taking action, but we need to do more, and we need a much stronger global response. In order to accelerate the pace of the green transition and deliver on the Paris Agreement¹ a significant mobilisation of investments and shifting of finance flows is required.

The COVID-19 crisis has taken its toll on the global economy. With a view to counter the climate crisis, the downturn can be turned into an opportunity for building back better through green recovery. We should use this momentum to redirect finance flows towards sustainable investments and deliver a socially just transition. This is a major task. The Nordic countries can and should play a leading role in the green recovery; however, it is not something that we as governments can deliver on our own. This can only be achieved with the active participation of the private sector and institutional investors.

The Nordic region has long been at the forefront of the global fight against climate change. We have a common vision of becoming the most sustainable and integrated region in the world by 2030. This includes ensuring that the private sector and investors have the incentives and opportunities to invest greener and cleaner and take a significant part in the green transformation of our economies.

Many Nordic institutional investors are already engaged in sustainable investments and are looking for opportunities to further increase their green portfolios. We as leaders of the Nordic governments encourage Nordic and international private institutional investors, individually or in associations, to pledge for additional scale-up of private green finance and investments towards 2030. Such commitments from private investors will be important to increase global climate ambitions this year and towards COP26 in 2021.

It is of key importance that the right framework conditions are in place. This requires long-term policy commitments and planning, stable regulatory conditions for green solutions, de-risking measures and public-private-partnerships. We will take concrete steps towards aligning public financing internationally to the Paris Agreement e.g. via a joint effort to further shift the financial flows of Multilateral Development Banks and other international financial institutions to green investments. We will also promote global carbon pricing and fossil fuel subsidy reform (FFSR). We are committed to engaging in R&D activities that will deliver the next green solutions, such as energy storage, power-to-x and carbon capture utilization, storage or mineralization, in order to accelerate the green transition.

¹ The Kingdom of Denmark, on behalf of Greenland, made a territorial reservation on the Paris Agreement.