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Lara Johannsdottir

University of Iceland, Iceland

Many environmental issues have increased in recent decades, evident for instance in the UN Sustainable Development Goals that needs to be addressed. Clean technologies have been developed and utilized to solve environmental issues, but diffusion of such solutions have not kept up with accumulation of issues such as growing emissions, biodiversity loss, water shortage, waste, and pollution. While the academic literature has mainly focused on high-polluting sectors in terms of issues and solutions, there has been less focus on relatively low-polluting sectors such as the finance sector which can act as an enabler in solving environmental issues through finance and by influencing various stakeholders. Papers published in *Environmental Science and Policy* and the *Journal of Cleaner Production* suggest a critical role of institutional investors in energy transition towards low-carbon economy, in addition to the insurance sectors role in supporting development and deployment of clean technology, thereby helping national governments fulfill international environmental/climate commitments. There are still rooms for improvements as the full capacity of the sector has not yet been utilized in this regard. Barriers to overcome include the need for higher carbon price or tax reflecting climate change externalities, reduction of fossil fuel subsidies, disclosure and reporting requirements, consistent and stable long term governmental policies, lack of commitment of investors and insurers in supporting national climate commitments, and that business opportunities have not yet materialized for financial institutions in the way that they see the importance of becoming a part of the solution – not a part of the problem.

lara@hi.is