

Regional Centre of Excellence (RCE)
of the
Financial Services Commission (FSC)
in collaboration with
Organisation for Economic Co-operation and Development (OECD)

Virtual Event

08 June 2022

Investment Treaties and Climate Change: Supporting climate-friendly investment and policy space for climate action

13.00-16.00 Mauritius Time



TIME ZONE CONVERTER

Event link: <https://events.hubilo.com/free-virtual-workshop---investment-treaties-and-climate-change>

Event code: 2022

You are requested to login at 12.30hrs (Mauritius Time)

Opening Sessions

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| 13.00-13.05 | Note by Master of ceremony, Mrs. Kheertee Ramsohok Heerasing , Head of RCE |
| 13.05-13.15 | Address by Mr. Winfrid Blaschke , Deputy Head Investment Division, OECD |
| 13.15-13.25 | Address by Mr. Dhanesswurnath Thakoor , Chief Executive, Financial Services Commission, Mauritius |

Session 1 (13.30-14.25)

Investment treaties and climate change – impact on government policy space for climate measures

This session will consider the impact of investment treaties on government “policy space” from the perspective of climate change. Many recent investment treaty developments have been driven by the quest for a balance between investor protection and governments’ right to regulate.

Efforts to achieve this balance have inspired innovation in treaty policy, led some countries to exit investment treaties perceived as outdated, and informed treaty policy and practice worldwide.

Several climate specificities, however, may invite revisiting some elements of the debate: (i) there is a recognised need for many profound and rapid regulatory changes to address the climate crisis; (ii) the long-term nature of many climate threats, powerful lobbies and a range of other factors make the political economy of climate measures particularly challenging; and (iii) emissions anywhere have a global impact. Each government concerned with climate change has an interest in the more than 2,500 investment treaties.

The session will look at new policies that governments have included in their treaties to address concerns about policy space, whether they take account of climate specificities, whether they have been effective, and whether new policies are under consideration. It will also consider whether investment treaties could play a role in strengthening domestic climate policies.

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| 13.30-13.45 | Presentation on Overview of investment treaties and government policy space, and specificities in the climate policy context
Professor Federico Ortino , King’s College London |
| 13.45-13.55 | Questions & Answers |
| 14.00-14.15 | Presentation on Recent developments and policy proposals to address government policy space in investment treaties
Dr. Suzy Nikiema , International Institute for Sustainable Development (IISD) |
| 14.15-14.25 | Questions & Answers |

Investment treaties and climate change – alignment of finance flows

This session will consider whether portfolios of counterparties (covered investors) under investment treaties need to be aligned with the Paris Agreement and net zero, current degrees of alignment of portfolios as seen by governments, experts, and stakeholders, and possible areas for action. The discussion will include consideration of the comparative importance of Paris alignment for governments and private entities.

Led by the Financial Stability Board (FSB) and its Task Force on Climate Disclosure (TCFD), governments, businesses, and many others have intensively focused their work on finance flows and the climate since the 2015 Paris Agreement. Recently, better disclosure and a heightened sense of urgency have led to growing public and private sector commitments to net zero and Paris alignment.

As other public sector financial actors that provide insurance services are seeking to align with the Paris Agreement and net zero, attention to Paris alignment may be overdue for investment treaties. Recent editorials and articles in the business press have explicitly called for a rethink of investment treaty policies since they are perceived to interfere with the alignment of finance flows with climate goals:

The prospect of “bailing out” fossil fuel projects risks disincentivising the steps needed now, from both markets and government, to secure swift decarbonisation. ... As figures from Mark Carney to John Kerry have made clear, any hope that we have of transitioning away from carbon at the necessary pace will rely on private markets. Capital must be allocated quickly towards renewables. ... [G]overnments will confuse things if they pay up in a way that means fossil fuels cannot lose. While renewables will remain the safe play long-term, the pace of capital’s shift away from fossil fuels may decrease.[1]

The discussion will consider whether investment treaty policymakers can learn from the net zero alignment activities of other actors with influence on finance flows.

14.30-14.45	Presentation on The UN Principles for Sustainable Insurance and its Net-Zero Insurance Alliance Mr. Butch Bacani , Programme Leader, UNEP Principles for Sustainable Insurance Initiative
14.45-14.55	Questions & Answers
15.00-15.15	Presentation on The alignment of finance flows under the Paris Agreement Mr. David Gaukrodger , Senior Legal Adviser, Investment Division, OECD
15.15-15.25	Questions & Answers
15.30-15.45	Presentation on Deriving opportunities from climate change mitigation Dr. Drishtysingh Ramdenee , Head, Services and Emerging sectors Directorate, Economic Development Board of Mauritius
15.45-15.55	Questions & Answers
15.55-16.00	Closing remarks

Moderator: **Mrs. Kheertee Ramsok Heerasing**, Head of RCE

Notes to participants:

- Kindly use the **Google Chrome browser** in order to have a seamless experience of the event.
- You need to **sign in** on the platform to attend the event: <https://events.hubilo.com/free-virtual-workshop---investment-treaties-and-climate-change>
- After logging in the platform kindly click on “**join session**” to attend the event.
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For Technical assistance (FSC Mauritius), please contact: Mrs. Namratta Seetamonee Sewnundun on rce@fscmauriti.us.org or by phone Ms. Kirti Tohum, (230) 4045652 or (230) 4037000 Ext: 7253

More information on the workshop can be obtained on the FSC website www.fscmauriti.us.org or on your profile on the platform: <https://events.hubilo.com/free-virtual-workshop---investment-treaties-and-climate-change>

[1] Financial Times editorial board, Governments should not foot the bill for stranded assets: Treaties that lead to fossil fuel bailouts need a rethink (21 Feb. 2022).