



Financial sector crucial in unleashing funding for carbon capture and storage projects

19 November 2019, London, UK – Financial sector stakeholders, private sector representatives, government authorities, and climate experts gathered in London to discuss how to mobilize finance for carbon capture and storage (CCS) to deliver on climate ambition and meet the Paris Agreement commitments.

At the conference hosted by the Global CCS Institute, an international think tank working to accelerate the deployment of CCS, participants acknowledged that the financial sector can unlock and facilitate capital flows supporting the scale-up of CCS, including through providing sustainable finance and investments.

“Global investment in energy was around USD1.8 trillion in 2018, with limited investment in commercial scale CCS facilities. Perceived and actual risk are currently undermining and limiting capital flows into CCS deployment. Addressing market risk through government policy action will be key to bring more large-scale CCS projects in operation. In addition, highlighting the environmental, social and governance (ESG) features of CCS reinforces its crucial role in decarbonisation efforts, and helps unlock investment”, said Brad Page, CEO of the Global CCS Institute.

Global markets and the broad financial sector have a powerful role to play in driving the transition to a net-zero economy and supporting clean growth opportunities. With the development of new sustainable investment products, as well as provision of traditional project finance, the sector can provide the key to unlocking the capital flows needed to support the scaling up of CCS.

Speaking at the event, Zoë Knight, Managing Director and Group Head of the HSBC Centre of Sustainable Finance said: “CCS is an important and proven technology that is needed to support the energy transition and our efforts to significantly cut emissions from hard-to-abate sectors. Significant investments are necessary to accelerate the deployment of this technology. For this, it is crucial to generate interest from the financial community and present the opportunities behind investment in low-carbon technologies such as CCS. Government can also play a role in creating enabling policy frameworks to secure investment.”

There are currently 19 large-scale CCS facilities in operation around the world. The financing of this essential and versatile climate technology requires large-scale and affordable capital investments. According to a recent Institute report, the policies currently in place are insufficient to accelerate the deployment of CCS to the scale and at the rate

required to meet global climate objectives. To deliver a net-zero transition, it is urgent to make CCS attractive to investors and financial institutions and enable the bankability of CCS projects.

With extensive experience in CCS and having helped to deliver the large-scale Quest CCS project in Canada, Syrie Crouch, VP of CCUS at Shell said: “It is crucial to bring the financial community into the discussion on the deployment of CCS as we need to ensure that projects are both investable and insurable. Projects like Quest take years to deliver and are only possible with close collaboration with government authorities and other key stakeholders. There is a need for regulation, legislation and incentives to make progress on CCS and get it moving into commercial scale.”

In order to support decarbonisation efforts and accelerate the green transition, CCS among other climate mitigation measures and technologies will be needed to address emissions from energy-intensive industries. There are 51 CCS facilities globally – 19 in operation, four under construction, and 28 in various stages of development with an estimated combined capture capacity of 96 million tonnes of CO₂ per annum.

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About the Global CCS Institute: The Global CCS Institute is an international think tank whose mission is to accelerate the deployment of carbon capture and storage (CCS), a vital technology to tackle climate change and provide energy security. For more information, visit www.globalccsinstitute.com