

Dubai, United Arab Emirates

**Green Economy after Rio+20 – Progress and Prospects
Inaugural PAGE Global Conference**

March 4, 2014 - Thematic Breakout Session 14:30 – 16:00

Session 2b: Fiscal Policy, Finance and Investment

How can fiscal policy mobilize the private investment needed for a green economy?

Organiser: UNEP

1. Background

In the run-up to the United Nations Conference on Sustainable Development (Rio+20) in Rio in 2012, and since then, an increasing number of countries around the world have been developing green growth and green economy strategies, roadmaps and action plans to guide their development plans. This growing emphasis on green growth is based on an understanding that countries' long-term socio-economic development remains uncertain due to growing population, changing climate and increasing pressure on land, water, food and energy resources.

As countries are striving to drive their medium- and long-term development plans towards green growth and a green economy path, the key question is how to finance the required investment. The role of fiscal policy, among others, could play a crucial role in stimulating such investments as it not only creates the necessary fiscal space but also incentivises much needed private investment by putting a price tag on environmental externalities, inducing green technology innovation and promoting efficient management of natural resources.

2. Session Theme and Objectives

The overall theme of the session is “How can fiscal policy mobilize the private investment needed for a green economy”? Structured on interaction among panelists and participants, the session has the following objectives:

- Share state-of-the art good practices, and identify front runners on how fiscal policy can stimulate private investment
- Identify key actions, actors and institutions to advance fiscal reforms for the green economy at national and international levels
- Explore measures for scaling up learning and knowledge sharing on fiscal policies and green private investment

In addressing the overall theme and objectives, the session is guided by the following questions:

1. What lessons could we learn about the policy mix required for successful fiscal policy reforms that drive green investment? (E.g. the role of monetary policy, investment policy, regulatory measures etc.)
2. What is the key to successful engagement between private financiers and policy makers in support of the green economy?
3. What actions and resources are needed from a fiscal perspective to scale up private investment in the green economy? What are the challenges to and opportunities for scaling up?

3. Methodology and Structure

The session lasts for 90 minutes. During the first 45 minutes, the co-chairs will give a brief introduction, followed by two 5 minutes “setting-the-scene” presentations. Following the presentations, 4 panellists will express their perspectives on the issue in a moderated and interactive panel discussion that will aim to address the specific questions outlined above.

During the remaining 45 minutes, the moderator will extract and open for discussion what he/she has heard on the overall theme and the sub-questions of the session. At the end, the co-chairs will summarize the discussion and suggest 2-3 key take home messages/recommendations emerging from the Session.

4. Agenda, Moderators and Speakers/Panelists

Co-Chairs Introduction: (3-5 minutes each)

- The Honorable Mr Leo Brincat, Minister for Sustainable Development, the Environment and Climate Change, Malta
- Mr. Charles Anderson, Head of UNEP Finance Initiative

Setting the scene: (5 minutes each)

- Jose Maria Valenzuela, Director for Energy Sustainability, Secretariat of Energy, Mexico
- Ms. Karin Ireton, Head Sustainability Management, Standard Bank, South Africa

Panelists: (5 minutes each)

- Mr. Kwabena Boadu Oku-Afari, CEO/Director of Real Sector Division, Ministry of Finance , Ghana
- Ms Nancy Martasuta, Vice President of Corporate Community Responsibility (CCR), Bank Negara Indonesia
- Mr. Gerhard Fourie, Chief Director, Green Industries, Department of Trade and Industry, South Africa
- Mr. Rae Kwon Chung, Director, United Nations Economic and Social Commission on Asia Pacific, Thailand)

Concluding Remarks (5 minutes)

- Mr. Nick Robins, Co-Director, Inquiry into the Design of a Sustainable Financial System, UNEP

5. Publications for Reference

-Green Economy Briefing Paper: Fiscal Policy -

http://www.unep.org/greeneconomy/Portals/88/documents/news/Issue%20Briefs/fiscal%20policy%20brief_EN_final.pdf

-Green Economy Briefing Paper: Finance -

http://www.unep.org/greeneconomy/Portals/88/documents/GE_FINANCE%202juin.pdf

-Financing Renewable Energy in Developing Countries: Drivers and Barriers for Private Finance in Sub-Saharan Africa

http://www.unepfi.org/fileadmin/documents/Financing_Renewable_Energy_in_subSaharan_Africa_02.pdf