

Concept Note:**“Governance Challenges in Financing Green and Sustainable Energy Policies”**

A one-day series of round-table discussions to be held at the Brookings Institution , April 21st, 2010

The financial crisis that began in the fall of 2008 came on the heels of great turbulence in the energy sector, with increased global demand for oil pushing prices to record highs in July 2008. While the majority of such spending has been financed by the public sector, much of this has come from governments accessing credit through private markets hit hard by the crisis. Many of the first programs to be affected were those with higher risk profiles and higher capital costs associated with renewable energy investments. In an environment of continued limited access to credit, a critical issue for both governments and the private energy sector is finding the necessary financing for growth with a green and sustainable energy policy.

The burden of mitigating and adapting to climate change complicates matters further in terms of financing a green recovery. The Climate Summit in Copenhagen at the end of 2009 has put this topic at the top of the international agenda, although many questions remain. How much financing is necessary? How much will be available and from which sources and with what conditions? For what will financing be made available? Who will pay? And who will decide? The clash of interests dividing industrial, emerging and developing countries with regard to their ultimate recovery goals, pits a sustainable energy supply and climate protection, on the one hand, against development and economic growth, on the other. Dual economic- and energy-crises show that the global economy needs a new paradigm for growth, one that can ease the impact of the financial crisis while at the same time enabling investment in sustainable and efficient energy systems for countries at all levels of development.

To support this transformation, governments around the world require an equitable, transparent and accountable global governance and coordination of financing. While programs and instruments for this purpose are currently available from or proposed by a variety of sources—including the World Bank, the United Nations Framework Convention on Climate Change (UNFCCC), the IMF, national governments and private investors—the global coordination of financing must support a flexible policy framework that prioritizes the creation of jobs through investment in green projects that can lay the basis for a more sustainable future.

Such a framework should allow industrialized countries to effectively counter the rise of carbon emissions and energy consumption through significant investment in efficient energy systems for developing countries while at the same time generating demand for their own burgeoning green industries. It should also allow emerging economies to transfer low-emission technologies and foreign investment in efficient energy systems to offer improved energy security along with better environmental protection. Such a “global green new deal” could work for the interests of both North and South. The current dual economic and climate challenges offer a window of opportunity for developing this new paradigm. This day-long round-table discussion will bring experts from the World Bank, IMF, United Nations system, academia, think tanks, trade unions and the private sector together with policy makers from governments to discuss key issues in the global governance of financing green and sustainable development.

Governance Challenges in Financing Green and Sustainable Energy Policies

A one-day series of round-table discussions co-sponsored by
Friedrich Ebert Stiftung and **Brookings Institution**

Date: 9am – 5pm, April 21, 2010

Location: Brookings Institution, 1775 Massachusetts Ave, Washington, DC
Saul Room, Zilkha Lounge

8:30-9:00 **Buffet breakfast**

9:00-9:30 **Welcome Remarks**

Mr. Werner Puschra, Director Friedrich-Ebert-Stiftung New York Office, and **Mr. Johannes Linn**, Senior Fellow and Director, Wolfensohn Center for Development, Brookings Institution

9:30-11:00 **Round Table 1:** What *global* instruments are in place to support countries in restructuring their economies to promote green energy policies, and how should they be utilized to support *national* response measures?

After brief introductory remarks by selected experts, this roundtable discussion will explore the state of the global debate on how to govern the financing of green energy and development. Latest developments and instruments from the World Bank, IMF, Global Environment Fund and other sources will be discussed.

Moderator: **Mr. Christopher Flavin**—President, Worldwatch Institute

Intro Remarks: **Mr. Michael Clark**, On Special Research Assignment to UNCTAD (Spring 2010); former Senior Advisor for Economic Affairs, U.S. House of Representatives; former Senior Advisor to 63rd President of UN General Assembly; former Executive Director, US-India Business Council

Mr. Jamal Saghier, Director, Energy, Transport, and Water, World Bank

Mr. Frank Schröder, Programme Officer, Secretary-General's Climate Change Support Team, United Nations

Ms. Catherine Pattillo, Advisor and Chief, Low Income Countries Strategy Unit, Strategy, Policy and Review Department, International Monetary Fund

11:00-11:30 **Coffee Break**

11:30-1:30 **Round Table 2:** Governance challenges: What is necessary to create the global governance structures to achieve this?¹

After brief introductory remarks by selected experts, this roundtable discussion will discuss: Which institution or institutions should be responsible for managing the financing? Which instruments are best suited? How can these institutions and instruments be coordinated to ensure equity and transparency in access to funds and policy flexibility to allow for different pathways to developing sustainable energy policies? These and other critical questions will be taken up in this session.

Moderator: **Mr. Kemal Dervis**
Vice President and Director of Global Economy and Development, Brookings Institution

Intro Remarks: **Mrs. Zhou Qi**, Director, Research Office of Political Science, Chinese Academy of Social Sciences, Beijing
Ms. Sabine Miltner, Director of the Vice Chairman's Office, Deutsche Bank Group, and UN High-Level Advisory Group on Climate Change Financing Sherpa
Ms. Sharan Burrow, President, Australian Council of Trade Unions; President, International Trade Union Confederation

1:30-2:30 **Lunch**

2:30-4:00 **Round Table 3:** National Responses: Tools for sustainable national energy policies

After brief introductory remarks by selected experts, this roundtable discussion will discuss: What national tools exist to finance national sustainable energy policies? What are the greatest impediments to financing energy efficient and sustainable growth? How do the experiences of those at different levels of development differ and where are there common issues?

Moderator: **Mr. Werner Puschra**—Director, FES New York Office

¹ **Mr. Ian Dunlop**, Fellow, Centre for Policy Development; Director, Safe Climate Australia; Member, Club of Rome; Member, Mikhail Gorbachev Climate Change Task Force ; Former senior international oil, gas and coal industry executive was prevented from attending the conference due to the volcanic disruption of European air travel. Mr. Dunlop was able to listen in on the final panel and has submitted comments to conference participants.

Intro Remarks: **Mr. Jeff Rickert**, Director, Center for Green Jobs, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

Ms. Martha Delgado, Secretary of the Environment,
Government of Mexico City, Mexico

Mr. Mohamed Galal Abdel Hamid Osman
Vice President World Wind Energy Institute (WWEI);
Professor of Renewable Energies, Mansoura University,
Egypt

Ms. Urvashi Narain, Senior Environmental Economist,
Environment Department, World Bank, Co-Author, *The Cost
to Developing Countries of Adapting to Climate Change*

Mr. Kirit S. Parikh, Member, Planning Commission,
Government of India; Chairman, Integrated Research and
Action for Development (IRADe), New Delhi

Mr. Jomo Kwame Sundaram, Assistant Secretary-General for
Economic Development, United Nations Department of
Economic and Social Affairs

4:00 **Wrapup**