



## Mexican Dialogue #1 Financing Green Growth

1-2 September, 2010  
Intercontinental Hotel, Geneva

The first of the series of Mexican dialogues, sponsored by the governments of Mexico and Switzerland, will focus on climate change finance. The dialogue will explore issues relating to the role of the UNFCCC in mobilizing private sector finance, which will be a critical component to the delivery of climate change solutions. It is important that any future institutional architecture is set up so as to facilitate the adoption of policies and rules that will stimulate low-carbon technology deployment in developing countries. Issues that need to be addressed in the context of a system of international climate finance include the relative roles of the various mechanisms (public finance versus carbon markets), risk mitigation and the role of the UNFCCC, the advantages of internationally versus nationally administered finance from the private sector perspective, the role of the GEF, World Bank and other financial mechanisms and implementing agencies, etc.

The dialogue will focus on three areas:

### 1. **The role of the public sector in leveraging private finance.**

- **Drivers of private finance.** What are the drivers of private sector investment choices? Where is the bulk of private sector capital that could be mobilized for low-carbon finance? What are the barriers to tapping into existing and scaling-up private finance for low-carbon options?
- **Role of public sector.** What public policy instruments and public funding mechanisms could help leverage private sector finance? What is the role of national vs international finance and how can international finance best support low carbon development? How could international policy process support scaling-up and broadening of private sector finance?
- **Best practices:** What are the lessons learned at national and international level?

### 2. **Managing climate change investment risks.**

- **Types of risks in climate change finance.** What are the specific risks of investments into low-emission policies, programs and projects? How can international rules mitigate financial risks?
- **What kind of private and public risk hedging tools are available?** What kind of public sector risk mechanisms (e.g. guarantees and subsidies) are most effective?
- **The role of the UNFCCC in reducing risks.** How can international institutions and the UNFCCC mitigate private sector investment risk and hence direct flows into particular countries or sectors?
- **Best practices:** What lessons can be learned from other international/national experiences?

### **3. Institutional finance architecture.**

- **Sources of climate finance** (e.g. Climate Investment Funds, GEF, Adaptation fund, etc.).  
What is the relationship of the existing various sources of climate finance with or within the UNFCCC? What is the role of fast-start financing in leveraging private sector investment?
- **UNFCCC finance architecture.** How does the UNFCCC mandated and administered finance relate to bilateral support and carbon finance? How should the international institutions compliment national institutions in mobilizing private sector finance? What are the elements needed to be included in the financial architecture, from a private sector perspective?

#### **Anticipated outcome and follow up**

This first Mexican Dialogue is intended to be an important contribution on the subject of financing and how it can best be used to incentivize low-carbon investment in developing countries.

The finance dialogue will be chaired by a representative of the Government of Mexico, and co-chaired by a representative of the Government of Switzerland and a senior representative from the private sector. The dialogues will be led by an experienced facilitator, knowledgeable about the finance sector and the UNFCCC process.

Participants will include a small group of negotiators and expert representatives of the business community. The invitation is personal, non-transferable directed to individuals recognized by their expertise.

A background paper will be circulated in advance and will be the basis for discussion and for the report of the meeting.

A final synthesis report will be produced and is intended to provide input to the negotiators on the road to Cancún and beyond.

The WBCSD and ICC will collaborate with other business groups and will provide a platform for disseminating information as broadly as possible to the global business community.

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**Agenda**  
**Financing Green Growth**

**Day One**

Wednesday, 1 September 2010  
*Intercontinental Geneva*  
Chemin du Petit-Saconnex 7, 1209

**12:00-14:00 - Welcoming lunch – Café Mezzo**

**Sessions – Room Benelux (first floor)**

14.00 – 14.15 **Introductory remarks**

*His Excellency Rogelio Granguillhome, Chair, Mexican Dialogues,  
Ministry of Foreign Affairs, Mexico*

*His Excellency Franz Xaver Perrez, Co-chair*

*Head of International Affairs Division; Federal Office for the Environment,  
Switzerland*

*Bjorn Stigson, President WBCSD*

*Nick Campbell, Chair, Climate Change Task Force, ICC*

**Room Benelux**

14.15 – 14.20 **Setting the scene**

Facilitator: Charlotte Streck, Climate Focus

14.20 - 15.45 **Session 1**

***The role of the public sector in leveraging private finance.***

- ***Drivers of private investment***
- ***Role of the public sector in leveraging private finance***

*Each topic will be introduced with personal comments from a negotiator and a business person. The individual discussions will be facilitated and summarized*

Facilitator: Charlotte Streck, Climate Focus

15.45- 16.00 **Coffee break**

16.00 – 17.30 **Session 2**

***Managing climate change investment risks***

- ***Types of risk***
- ***Private and public risk hedging tools***
- ***Role of the UNFCCC in reducing risk***

*Each topic will be introduced with personal comments from a negotiator and a business person. The individual discussions will be facilitated and summarized*

Facilitator: Charlotte Streck, Climate Focus

17.30 – 18.00 **Interim summary** – Charlotte Streck, Climate Focus  
Cont....

18.00 – 19.00 **Status of work of the Secretary-General's High-level Advisory Group on Climate Finance with a focus on private sector finance**

*Janos Pasztor – Director, Secretary-General's Climate Change Support Team*

Question and Answer session

19.00 – 22.00 **Reception followed by dinner including special guests**  
**Room London**

## **Day Two**

**Thursday, 2 September 2010**

8.00 – 9.00 **Breakfast networking**

**Café Mezzo**, Intercontinental Geneva

9.00

### **Session 3**

#### **Institutional finance architecture**

- **Various sources of climate finance**
- **UNFCCC financial architecture**

*Each topic will be introduced with personal comments from a negotiator and a business person. The individual discussions will be facilitated and summarized*

Facilitator: Charlotte Streck, Climate Focus

11.00 – 12.00 **Wrap up and next steps-** Charlotte Streck, Climate Focus

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