

FINANCING GREEN ECONOMY

Cluster Statement 24 June 2014

The Major Groups (MGs) call on the adoption of principles that determine the sources of funding for the Green Economy (GE) (whether from the government, Business, Public Private Partnerships (PPP) or any other source), in order to include criteria for the use of those funds, for establishing a mechanism for tracking finances expenditure on green financing, and for corporate social responsibility and availability of space for stakeholder input.

We, are concerned that the definition of the Green Economy remains difficult to understand. The term is still resisted by some developing countries as it is perceived to be new, expensive and a barrier to developing country industrialization due to different priorities for GE in different countries. We are also concerned with the current existing barriers to GE, whereby, many Corporations are involved in forest destruction in developing countries for energy, yet energy efficiency and resource use efficiency is still being ignored. Additional competition for financial resources exists between small-scale and large-scale renewable energy companies, with the use of plant oils in Africa presenting serious implications for food security, in a continent still considered basically 'green'. We propose a new model of Green economy that would support sustainable development and poverty eradication, resource use efficiency and SCP, and green technologies and jobs, all elements that do not affect but enhance livelihoods of the poor.

Further, we recommend Green Economy in developing countries to be defined as an instrument to support sustainable development and poverty eradication, and to eliminate harmful subsidies, including in fossil fuels and agriculture, and prevent other perverse incentives. We further recommend that equality and equity become important principles for the Green Economy concept, with an integral component that considers the overuse of natural and financial resources, and without the commodification of nature. We further propose that the definition and goals of GE be clarified and contextualized and not be seen as a single model for GE but that there are also opportunities for diverse and rights-based green economies based on the pillars of sustainable development and within planetary boundaries.

Financing the Environment/GE

The MG would like to propose that in mobilizing the funds for GE, the Ministries of Finance and Economic planning should be part and parcel of this important process to support the efforts by the Ministers of Environment. Secondly, a substantial amount of funds should be directed towards 'green' financing, investment in small-scale projects including on solar energy and other clean renewable energy.

We recommend corporate and financial reforms that would regulate financial markets, ensure corporate taxation in all countries as well as corporate liability and redress for damage to human rights and environment, and recognize human rights as a priority for investment and in changing bilateral investment treaties. We further recommend stronger Social Corporate Responsibility

and Accountability for businesses, with special attention to the fulfillment of women's, children's and indigenous people's human rights.

The MGs would like to underline the importance of eco-innovation research as a step towards a smooth transition from brown to green economy, to ensure that green economy policies are not used as a pretext for trade protectionism and to measure progress in the transition.