

A UN ENVIRONMENT – WORLD BANK GROUP EVENT
FINANCING FOR POLLUTION MANAGEMENT – UN ENVIRONMENT ASSEMBLY

UN Environment/World Bank Group Session on Financing for Pollution Management

Tuesday 5 December 2017

18:30-19:30 – VIP Lounge

CONTEXT

Sustainable growth will be one of the greatest challenges of the 21st century— as demonstrated by the adoption of the UN Sustainable Development Goals (SDGs) and the Paris Agreement.

Pollution of air, water and land – which damages human health, economies and the environment – will need to be tackled as part of efforts to usher in this better world, as outlined in the UN Environment head’s special report to the UN Environment Assembly, *Towards a pollution-free planet*.

But actions in this area need to be financed, with much of the trillions required each year having to come from private sources. With more than US\$300 trillion in global assets, the financial sector will play a crucial role in tackling pollution and powering the global economy’s transition towards a brighter future.

KEY MESSAGES

- For too long, tackling pollution has been seen as imposing costs on industry and curbing economic growth. Global trends are demonstrating that this is no longer the case.
- Pollution, in fact, imposes substantial economic costs – often between 4 and 5 percent of a country's gross domestic product, with mortality effects that dwarf other major health concerns like HIV/AIDS.
- The effects of pollution fall overwhelmingly on developing countries, and within these, disproportionately on the poor. Ninety-four percent of the 9 million annual deaths caused by pollution occur in lower middle-income countries.
- In recent years, the international discourse focused on climate change, overshadowing the concern over traditional pollution. Given the magnitude of the economic costs of pollution, it is, however, time now to bring pollution to the forefront of the international policy dialogue.
- Even though pollution is on the rise, it is not receiving proportional coverage in donor portfolios. Few actors are considering the externalities of this problem (higher disease and death rates, costs to economy, etc.) and support is often focused on specific issues, not necessarily reflecting the realities on the ground. Donor support as well as lending from MDBs therefore needs to be recalibrated to match the scale of the problem.
- The global financial system is turning towards sustainability, as outlined in the UN Environment Inquiry’s recent report, *The Roadmap for a Sustainable Financial System*, which shows increasing policies backing such change, growing engagement by the private sector, and record green bond growth.
- Investments in clean energy, transport and industry can make a huge difference to pollution levels, and bring in long-term returns better insulated against environmental shocks.

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- Private investors do not always meet all environmental performance standards, yet from a private sector development perspective it may be desirable to continue to support them if the sponsor is committed to improve their performance. Donors are called upon to increase their advisory support to enhance the compliance of their investee companies with pollution requirements.

SESSION DESIGN

Caroline Heider, Director General and Senior Vice President, Evaluation, World Bank Group

Elliott Harris, UN Assistant Secretary-General and Head of the New York Office of UN Environment

Stefan Apfalter, Senior Evaluation Officer, Independent Evaluation Group, World Bank

Naoko Ishii, CEO and Chairperson for the Global Environment Facility (GEF)

Moderator: Eric Usher, head of UN Environment’s Finance Initiative (UNEP FI)

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| 18:30-18:35 | Eric Usher will make opening remarks and introduce the panel |
| 18:35-18:45 | Caroline Heider and Stefan Apfalter will introduce the World Bank Group’s work on pollution, presenting their new evaluation report, “Toward a Clean World for All – World Bank Group’s Support for Pollution Management”. |
| 18:45-18:50 | Elliott Harris will talk about sustainable finance, recent developments including the Roadmap for a Sustainable Financial System and the China Green Finance Progress Report, and how sustainable finance can help address the pollution challenge. |
| 18:50-18:55 | Naoko Ishii will introduce the GEF’s work on funding projects that deal with pollution. |
| 18:55 – 19: 10 | Panel discussion moderated by Eric Usher |
| 19:10 – 19:25 | Panel opens to the floor for questions |
| 19:25 – 19:30 | Eric Usher will provide concluding remarks and thank the panelists. |

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BIOS

Elliott Harris, UN Assistant Secretary-General and Head of the New York Office of UN Environment

On 1 April 2015, United Nations Secretary-General Ban Ki-moon appointed Elliott Harris as Assistant Secretary-General and Head of the New York Office of UN Environment.

Mr. Harris joined UN Environment as Director of the New York Office and of the Secretariat of the Environment Management Group (EMG) in September 2013. Prior to this, he worked as an economist in the IMF from 1988 to 2013, gaining extensive policy and programmatic experience in African and Central Asian countries, as well as in the Fiscal Affairs Department on public expenditure policy issues. From July 2002 onward, Mr. Harris served as Advisor and Assistant Director in the IMF's Strategy, Policy and Review Department, including as Chief of the Development Issues Division.

From September 2008 until May 2012, he was also the IMF's Special Representative to the United Nations, and was closely involved in interagency collaboration in the areas of social protection, the green economy, and fiscal space for social policy. From September 2009 until October 2013, he was the Vice Chair of the High-Level Committee on Programs (HLCP) of the UN Chief Executives Board for Coordination.

Caroline Heider, Director General and Senior Vice President, Evaluation, World Bank Group

Caroline Heider has been Director General of the Independent Evaluation Group at the World Bank (IEG) since 2011. Ms. Heider has dedicated the last 30 years of her career to evaluating the work of development and humanitarian organizations, transforming findings into lessons and promoting innovative ways for institutions to apply the knowledge derived from evaluations towards accelerating development effectiveness.

As a senior leader, Ms. Heider has a proven track record in leading change, strengthening institutions, and building evaluation capacity through testing and trying new methods to get to better evidence and greater insights. She has first-hand experience evaluating policies and programs in over 30 countries around the world.

Ms. Heider is a leading voice in the international evaluation community. She is a life-time member of the International Development Evaluation Association (IDEAS) and a member of the American Evaluation Association. She chaired the Global Evaluation Advisory Committee of UN Women for the first years of its existence. In the past, she has been a member of the Australasian Evaluation Society and served a 2-year term as vice-chair of the UN Evaluation Group.

Before IEG, Ms. Heider headed the Office of Evaluation at the World Food Program. She has also held leading positions in the evaluation offices of the Asian Development Bank and several UN agencies, including the International Fund for Agriculture Development, the UN Development Program, and UN Industrial Development Organization.

Stefan Apfalter, Senior Evaluation Officer, Independent Evaluation Group, World Bank

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Since joining the World Bank's Independent Evaluation Group (IEG) in 2009, Mr. Apfalter has managed an evaluations program across a wide range of sectors and topics related to private sector development.

In the financial sector, Stefan managed IEG's flagship report on MIGA's Financial Sector Guarantees in a Strategic Context (2011) and subsequently led IEG's work on financial inclusion Financial Inclusion – A Foothold on the Ladder toward Prosperity (2015). In the infrastructure space, Stefan co-authored IEG's evaluation on Improving Institutional Capacity and Financial Viability to Sustain Transport (2012) by focusing on the private sector aspects and was the author of IEG's work on PPPs World Bank Group Support of Public-Private Partnership: Lessons from Experience in Client Countries (2013). More recently, Stefan authored Public-Private Partnerships in Health (2016) and co-authored a series of three IEG Results and Performance Reports. He currently leads IEG's evaluation work on WBG Support to Pollution Management -Toward a Clean World for All.

Prior to joining the World Bank Group, Stefan gathered extensive international experience by working for two different United Nations organizations, the European Commission and in business strategy advisory. He holds a Masters in Finance from Vienna University of Economics and Business Administration and a PhD in engineering from University of Technology, Vienna, Austria.

Naoko Ishii, CEO and Chairperson for the Global Environment Facility (GEF)

Naoko Ishii has served as the CEO and Chairperson for the Global Environment Facility (GEF) since August 2012. In October 2015, the GEF Council unanimously agreed to extend her tenure for the second term until August 2020.

Previously, Ms. Ishii was the Deputy Vice Minister of Finance of Japan, where she was responsible for Japan's international financial and development policies, and for its global policies on environmental issues such as climate change and biodiversity. She led the Japanese delegation at the Transition Committee for designing the Green Climate Fund.

For nearly half of her career, Ms. Ishii has served on international assignments, including at the World Bank and the International Monetary Fund.

At the World Bank, Ms. Ishii was the Country Director for Sri Lanka and the Maldives (2006-2010). She also served as the World Bank's country program coordinator for Vietnam (1997-2001), a project manager at the Harvard Institute for International Development (1996-1997), an economist at the International Monetary Fund (1992-1995) working on Africa and Asia, and a visiting fellow at the Center for International Affairs at Harvard University (1984-1985).

Ms. Ishii taught sustainable development and environment at Keio University. She has published numerous papers and several books, two of which were awarded the Suntory Prize (1990) and Okita Memorial Prize for International Development Research (2004). She is the inaugural recipient of the 2006 Enjoji Jiro Memorial Prize.

She holds a B.A. and a Ph.D. from the University of Tokyo.

Eric Usher, Head of the UN Environment Finance Initiative (UNEP FI)

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Eric Usher brings twenty-five years of experience in the sustainable energy and finance sectors, including an entrepreneurial venture in Morocco, financial sector development across emerging markets and responsible investment uptake globally. Prior to heading the Finance Initiative Secretariat in Geneva, Mr. Usher was responsible for a programme portfolio advancing new public/private instruments for financing cleaner energy infrastructure and improving energy access.

He was seconded to the UN Framework Convention on Climate Change for development of the Green Climate Fund, specifically the fund's Private Sector Facility. Eric is co-editor and co-author of various studies examining the role of public and private finance in climate mitigation and was lead author for finance of the IPCC Special Report on Renewable Energy Sources.

Before joining UNEP, Eric was General Manager of a solar rural electrification company based in Marrakech. He holds an MBA from INSEAD, France, and a BSc in Electrical Engineering from Queen's University, Canada.