

FINANCING GREEN ECONOMY

Cluster Statement 23 June 2014

In this statement, the Major Groups (MG) are guided by principles that determine sources of funds for Green Economy (GE) (whether from the government, Business, Public Private Partnerships (PPP) or any other source); the criteria for using the funds; tracking of finances spent on green financing, and availability of space for stakeholder input.

We, the MG are concerned that Green Economy remains difficult to define and understand. The term is still resisted by some developing countries as it is perceived to be new, expensive and a barrier to developing county industrialization due to different priorities for GE in different countries. The MG is concerned with the current existing barriers to GE, whereby, many Multinational 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, payment for ecosystem services, natural capital and green technologies and jobs that do not affect but enhance livelihoods of the poor.

Further, we recommend that Green Economy in developing countries to be defined as an instrument to support sustainable development and poverty eradication and Harmful subsidies, including fossil fuels, agriculture, and other perverse incentives identified and stopped. We further recommend that equality and equity become important principles for the Green Economy concept, with ecosystem capital forming an integral component of Green Economy by considering overuse of natural and financial resources, without commoditization of nature. We propose that in defining GE, dual sustainability' be regarded as a term to explain that developed and developing countries require different strategies for green economy. 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 diverse and rights-based green economies, with the definition and goals of sustainable development remaining within the 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 to 'green' financing, investment in small scale projects on solar energy, and other renewable energy uses are needed, accompanied by Pilot green sustainable technology projects.

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 Global Corporate Responsibility and Accountability, with special attention to women's human rights.