



Financing Transformation

June 24, 2011; 3:00-6:00pm; Room 2.6

A G E N D A

3:00-3:10pm: Introduction

The moderator, **Hela Cheikhrouhou**, Director of Energy, Environment and Climate Change Department, African Development Bank, will introduce the sessions, presenters, and key elements to be discussed.

3:10-4:30pm: SESSION 1– Programmatic Approach to Financing Transformation

This section will focus on the critical role of financing instruments within broader programmatic approaches for scaling up. Panelists will discuss the relationship between financing mechanisms and complementary enabling policy instruments and regulatory frameworks.

Paying for Ecosystem Services

Carlos Manuel Rodriguez, Regional Vice President for Mexico and Central America, Conservation International

Scaling Up Low Emissions Development

Ms. Naoko Ishii, Deputy Vice Minister of Finance for International Affairs, Japan

Discussant

Frank Pinto, United Nations Development Programme

Discussion with the Audience

4:30-6:00: SESSION 2 – Finance for the Poor and Underserved

Recognizing the critical importance of providing poor and underserved communities with access to finance and basics services, this session highlights different financing instruments and mechanism for investing in climate change mitigation and adaptation.

Results-Based Financing Mechanisms

Mustafa Hussain, Senior Specialist, International Bank for Reconstruction and Development

Transformation through Innovation: Lessons from M-PESA

Japhet Aritho, Head of Product Development, M-PESA

Discussant

Richenda Van Leeuwen, Senior Director of Energy and Climate at the UN Foundation

Discussion with the audience

SESSION BACKGROUND

Objectives

This session will give stakeholders the opportunity to explore new and existing approaches in development finance designed to move beyond “business-as-usual” models by maximizing the value of limited resources and rewarding good performance. Presenters will share their knowledge and experience from putting new approaches into practice through a combination of innovative financing and policy instruments. Stakeholders and presenters will engage in discussions about the challenges and opportunities associated with using these creative financing instruments to make investments in low carbon and climate resilient development.

Background

Climate change is one of the greatest challenges to development that the world has ever faced. According to the World Bank, mitigation in developing countries could cost \$140 to \$175 billion per year by 2030, with associated financing needs of up to nearly \$600 billion. Developing countries are also predicted to face adaptation costs in the range of \$75 to \$100 billion per year over 2010-2050.

While international funding is growing, current funding covers less than 5% of anticipated needs. Closing the gap will require tapping into and leveraging new sources of financing from both the public and private sectors. It will also require using limited resources more wisely.

This session will spotlight existing and innovative financing tools and how they may contribute to addressing this global challenge. Stakeholders will engage in the consideration of the following set of questions:

- What is the role of the public sector vs. private sector?
- What is the potential of development finance instruments to mobilize private sector funding?
- What are the regulatory and institutional barriers to the implementation of such instruments?
- Why, or under what conditions, should countries or recipients of funding from such mechanisms choose these over the more traditional lending or grant instruments? What are the incentives?
- Is country readiness and technical capacity a major hurdle to implementing these new and potentially complex mechanisms?
- How can financing instruments, both traditional and new, most effectively be blended to have a greater impact?