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Concept Note for GFPN-CEPAL Side-Events at the 2024 Latin America and the Caribbean Regional Forum on Sustainable Development

Location, time, and date

Venue: ECLAC HQ - Santiago de Chile

Date: 18 April

Format: 1-day event at the CEPAL LAC FSD 2024 (Hybrid)

Background information

Addressing the triple planetary crisis (climate, nature, pollution) demands a more strategic alignment of public and private finance with environmental sustainability. This includes realigning public finance to support climate and nature goals and using various financing instruments to attract additional funds. Revenue generation can be achieved through environmental tax reforms, and expenditures managed via subsidy reforms and tools such as payments for ecosystem services or climate funds.

To aid policymakers in adopting and utilizing fiscal policies tailored for environmental sustainability and economic resilience, an event targeting public finance and taxation professionals is proposed, with a focus on the LAC region. It aims to enhance knowledge exchange and peer-peer learning opportunities for Ministries of Finance and support them with the identification of necessary tools to spearhead the transition to a robustly growing, low-carbon, nature-positive and socially inclusive economy. The event will explore the roles, tools, and challenges in accelerating the economy's greening, including expert talks, roundtable discussions, and interactive sessions to facilitate the sharing of experiences and overcoming implementation barriers.

Thursday 18 April		
Session/Time/Room	Topic	Potential Speakers
Roundtable 09:00 – 11:00 Sala Raul Prebisch (Plenary Room)	SDG 13 – Action for climate Moderation: André Corrêa do Lago, Special Ambassador for Climate Change, Brazilian Government	<ul style="list-style-type: none"> • Laura Fernández Delgado, Minister of National Planning and Economic Policy, Costa Rica • Maisa Rojas, Minister of Environment of Chile • Pavel Isa Contreras, Minister of Economic Planning and Development of the Dominican Republic • TBD, Government of Barbados • Eduardo Calvo Buendía, Intergovernmental Panel on Climate Change (IPCC) (Perú) • Carlos Manuel Rodríguez, Director for Global Environment Facility (GEF) (TBC)

<p>Technical discussion</p> <p>11:30 – 13:00</p> <p>Sala Enrique Iglesias (Side Event Room)</p>	<p>Debt and Budget: Tools for Environmental, Social and Economic Sustainability</p> <p>Moderation: Santiago Lorenzo, Head of Unit Climate Change Economics, CEPAL</p> <p>This session will discuss the principles, best practices, and interdependencies between budget, debt, development, and environmental sustainability. It will showcase innovative budgeting instruments, present case studies and provide an opportunity for lively discussions, experience sharing and lessons learned on opportunities and challenges linked to budget and debt instruments in a context of high fiscal constraints and debt levels.</p>	<ul style="list-style-type: none"> • Jaime Tramon, Financial and International Affairs, Ministry of Finance of Chile • Daniel Munevar, Debt and Development Finance Branch, UNCTAD • Raul Delgado, Climate Change and NDC Invest Lead Specialist, Inter-American Development Bank • Ulrich Volz, Director of the Centre for Sustainable Finance and Professor of Economics at SOAS, University of London • Victoria Busso, Debt Advisor, Ministry of Finance of Uruguay • Luisa Olivera, Environmental Advisor, Ministry of Finance of Uruguay
13:00 – 14:30 LUNCH		
<p>Technical discussion</p> <p>14:30 – 16:00</p> <p>Sala Enrique Iglesias (Side Event Room)</p>	<p>Carbon Pricing and CBAM in Latin America and the Caribbean: Navigating Social Equity and Market Realities</p> <p>Moderation: Jimmy Ferrer, Economic Affairs Officer, CEPAL</p> <p>The session will explore harmonizing carbon pricing in Latin America and the Caribbean with the EU's Carbon Border Adjustment Mechanism, emphasizing social equity and market realities. It will address the challenges of implementing effective and fair carbon pricing in developing economies, focusing on protecting vulnerable communities while adapting to global climate policies.</p>	<ul style="list-style-type: none"> • Fernando Lorenzo, Expert • Tessa Schiefer, Climate & Development, Mercator Research Institute on Global Commons and Climate Change (MCC) • Diego Mesa Puyo, Deputy Head of the Climate Policy Division IMF • Dr. Agustín Ávila, Director General de Políticas de acción Climática, SEMARNAT • Ruben Vermeeren, Head of Unit B1 (International Carbon Markets), European Commission • TBD, Government of Barbados
16:00 – 16:30 COFFEE BREAK		
<p>Technical Discussion</p> <p>16:30 – 18:00</p> <p>Sala Enrique Iglesias (Side Event Room)</p>	<p>Financing Nature: Role of Public Finance in Meeting GBF Objectives</p> <p>Moderation: Oscar Guevara, Executive Principal of the Climate Change Unit, Banco de Desarrollo de América Latina y el Caribe (CAF)</p> <p>The session will examine the pivotal role of public finance in supporting GBF goals, particularly in the context of developing economies grappling with limited resources and competing development priorities.</p>	<ul style="list-style-type: none"> • Laura Fernández Delgado, Minister for National Planning and Economic Policy, Costa Rica • Pablo Marquet, Biodiversity Expert • Juan Bello, Regional Office Latin America, UNEP • TBD, Ministry of Environment for Colombia (TBC)



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Detailed description of the technical sessions:

Debt and Budget, tools for environmental, social and economic sustainability.

Theme: " Tackling the Debt-Development-Environment Nexus and aligning Fiscal Policies with Economic, Environmental and Social Goals"

Background Information This session focuses on debt and budgeting tools for governments to integrate sustainability into their fiscal policies. It will focus on the complex interplay between debt, development, and environmental sustainability, focusing on formulating solutions to maintain economic growth while addressing environmental challenges. In this context, sustainable budgeting can bridge the gap between economic development and environmental stewardship, ensuring efficient allocation of resources towards a resilient future.

Topics of Discussion:

1. **Understanding the Debt-Development-Environment Nexus:** Analyzing the interdependencies between debt, development, and environmental sustainability.
2. **Innovative Financial Solutions:** Exploring debt-for-nature swaps, sustainability-linked bonds, and other novel financial instruments.
3. **Principles and Practices of Sustainable Budgeting:** Exploring the foundational elements and methodologies for incorporating sustainability into the budgeting process.
4. **Overcoming Challenges in Implementation:** Identifying common hurdles and strategies to successfully implement sustainable budgeting policies.
5. **Case Studies and Success Stories:** Showcasing real-world examples where sustainable budgeting has led to significant environmental and social impacts.

Carbon Pricing and CBAM in Latin America and the Caribbean: Navigating Social Equity and Market Realities

Theme: "Balancing Act: Navigating Carbon Pricing and CBAM for Social Equity in LAC"

Background Information In the context of global climate action, Latin America and the Caribbean face the dual challenge of implementing carbon pricing mechanisms that are both effective in reducing emissions and socially equitable. This session focuses on the intricacies of aligning carbon pricing with the needs for an economic transformation that places LAC countries in a competitive level for the new global markets in a climate economy. Ensuring that the policies required for this transformation support sustainable development without disadvantaging vulnerable populations.

Topics of Discussion:

1. **Equitable Carbon Pricing Strategies:** Analyzing approaches to carbon pricing in LAC that balance environmental objectives with social fairness.
2. **The potential impact of mechanisms such as the CBAM on LAC Economies:** Examining the potential fiscal implications of the EU's CBAM for LAC countries and strategies for adaptation.
3. **Policy Harmonization:** Discussing the synergy between local carbon pricing and CBAM, identifying areas for policy integration.



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4. **Stakeholder Engagement:** Highlighting the importance of involving diverse groups in shaping carbon pricing under a global competitive environment.

Financing Nature: Role of Public Finance in Meeting GBF Objectives

Background Information Amid the escalating environmental crisis, the Global Biodiversity Framework (GBF) has emerged as a critical roadmap for biodiversity conservation and sustainable use. However, the success of GBF objectives heavily depends on the effective mobilization and utilization of public finance. This session seeks to examine the pivotal role of public finance in supporting GBF goals, particularly in the context of developing economies grappling with limited resources and competing development priorities.

Topics of Discussion:

1. **Strategic Allocation of Public Funds for Biodiversity:** Delving into how public budgets can be structured to prioritize biodiversity conservation, including case studies of successful funding models.
2. **Innovative Fiscal Instruments for Biodiversity:** Exploring mechanisms like biodiversity tax credits, conservation trust funds, and biodiversity bonds to leverage additional resources for GBF objectives.
3. **Public-Private Partnerships for Biodiversity Goals:** Discussing how public finance can catalyze private investments in biodiversity, including mechanisms for risk-sharing and incentives.
4. **Monitoring and Accountability in Public Finance for Biodiversity:** Addressing the challenges of transparency and effectiveness in the use of public funds dedicated to GBF goals.

Audience

- The target audience will include policymakers at the technical level, including director-level and below.
- Core ministries include Ministries of Finance/Economy and Ministries of Environment actors involved in activities related to PFM, budgeting, planning, and green finance for climate and nature. This includes departments whose core mandate includes budgeting, planning, investments, debt management, and environmental planning.
- Depending on the session's thematic focus, line ministries might also get involved in specific topics and sectors (e.g., Ministries of Agriculture, Energy, Natural Resources, etc.). Central banks and other institutions with a debt management mandate will also be relevant.
- The event will also seek links with the national and regional UN country teams, through PAGE and RCOs.