

Latin America and the Caribbean Regional Programme

The 2nd LAC Regional Policy Dialogue on Environmental Sustainability: Enhancing Climate Finance and Promoting Technological Transfers

18 - 20 October 2022 (15:00-18:00 CET)

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CONTEXT

On 18 and 19 November 2021, the [OECD Latin America and Caribbean Regional Programme](#) (LACRP) virtually held the first [LAC Regional Policy Dialogue on Environmental Sustainability](#) to discuss common priorities for enhanced regional co-operation in the field of environment, and identify OECD's value added with regard to other regional actors. Climate change and biodiversity were highlighted as the two recurring priority areas, central for advancing the green agenda in the region, and enabling greater competitiveness of LAC economies. More specifically, climate finance and technology transfer were identified as important issues, where further progress was needed.

While environmental issues have gained greater prominence in the LAC region's political agenda, concrete measures and innovative solutions are needed to support LAC countries in their transition to a net-zero carbon economy. LAC governments have committed to cut down greenhouse gas (GHG) emissions by preparing ambitious Nationally Determined Contributions (NDCs) that establish their emission reduction targets for 2030 and discuss adaptation measures to improve their climate resilience. Furthermore, they have enhanced their international commitments with most of the countries of the region adopting, at COP26, new pledges like the [Glasgow Leaders' Declaration on Forests and Land Use](#) and the [Global Methane Pledge](#).

The OECD estimates that USD 6.9 trillion a year is required up to 2030 to meet climate and development objectives¹ Moreover, [the latest OECD work on progress by developed countries to achieve the USD 100 billion goal by 2020](#) for climate action in developing countries, shows that only **17% (USD 12.5 billion)** of the USD 83.2 billion were destined to the Americas region, and only USD **1.5 billion** was provided and mobilised by donors in Small Islands in Developing States (SIDS), where the Caribbean is the part of the world with more countries with that status².

In this context **multilateral organisations are also stepping up their efforts in financing green projects**. To name a few examples in the region, the Development Bank of Latin America (CAF) announced, during COP26, that it will increase green projects' financing from **24% in 2020 to 40% in 2026**, representing an allocation of USD 25 billion over the next five years to promote green growth³. The Green Climate Fund (GCF) [annual results report 2021](#) points out that approximately **USD 3 billion were approved for 32 climate projects around the world in 2021**, surpassing the 2020 record of USD 2.1 billion. By the end of 2021, GCF's portfolio reached USD 10 billion, amounting over USD 37 billion in co-financing and 190 projects in 127 countries. The [Inter-American Development Bank \(IDB\) Sustainability Report 2021](#) showcases that in that year, it approved almost **USD 4.5 billion for climate-related operations, accounting for 30% of total IDB annual approvals**. The World Bank's [International Bank for Reconstruction and Development \(IBRD\) and the International Development Association \(IDA\)](#) have provided over **USD 5.8 billion in lending** to support climate actions in LAC countries. To such efforts, the role of transition finance needs to be recognised, and examined further on how it can best ensure that it translates into actionable and credible targets, supporting investments with positive environmental impacts.

¹ <https://www.oecd.org/finance/Sustainable-Infrastructure-Policy-Initiative.pdf>

² <https://www.un.org/ohrlls/content/list-sids>

³ <https://www.caf.com/en/currently/news/2021/11/caf-to-allocate-usd-25-billion-over-the-next-five-years-to-promote-green-growth/>

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The Latin American Economic Outlook of 2021, mentions that one of the key dimensions for rethinking international co-operation as a facilitator for sustainable development in LAC, is the capacity to operate with more tools and actors, meaning expanding instruments for greater international co-operation, such as knowledge sharing, policy dialogues, capacity building, **technology transfers**, and including more actors like public institutions, in a whole-of-government approach⁴.

It is crucial that LAC countries have a clear understanding of the elements that must be considered regarding Climate Change Technology (CCT) transfers. An [Inter-American Development Bank study on CCT transfers in the region](#), underlines that creating a “favourable environment” for the development of climate change technologies is key. This encompasses clear policy objectives; a set of institutional, regulatory, financing and other resources; necessary infrastructure; and an enabling investment framework. Moreover, human development and sufficient budgetary support for green technologies and eco-innovation is necessary, together with the appropriate engagement of the private sector and other interested stakeholders in defining the necessary support mechanisms for CCT transfers.

LAC countries must take coherent and decisive action to achieve net-zero GHG emissions by mid-century. The OECD can support LAC in developing effective policies, institutions and instruments as well as sharing best practices to tackle climate change through focused action on enhanced climate finance and technology transfer.

It is in this context that the OECD will organise **virtually** the [2nd “Regional Policy Dialogue on Environmental Sustainability: Enhancing Climate Finance and Promoting Technological Transfers” on 18-20 October 2022](#). The Dialogue will be an opportunity to discuss what kind of financial mechanisms are needed in the region to boost the net-zero carbon economy, how to channel effectively the economic resources, success cases and best practices in the LAC region regarding climate finance and technological transfers and the how to improve existing frameworks and mechanisms to increase technological and financial flows in LAC.

OBJECTIVES

- **Discuss** about the economic instruments needed in the LAC region to support a green transition to net-zero GHG emissions;
- **Examine** options on how countries can best align financial flows with their net-zero targets and capitalise on climate finance provided and mobilised;
- **Reassess** challenges and conditions to enhance climate change technology transfer to the LAC region;
- **Exchange** on success cases in the LAC region regarding climate finance and technological transfer to increase productivity and foster regional value chains.

Participants of the LAC Regional Policy Dialogue would include senior officials from the relevant government agencies, such as Ministries of Environment, of Finance, of Economic Planning, of Industry and Trade, of Foreign Affairs from LAC and selected OECD Member countries, as well as representatives of international and regional organisations active in the LAC region and other relevant stakeholders.

The Regional Policy Dialogue will be organised in a **virtual** format with direct interpretation English-Spanish, to allow wider participation of experts in this Dialogue. Please register directly [via the Zoom link](#).

⁴ OECD et al. (2021), Latin American Economic Outlook 2021: Working Together for a Better Recovery, OECD Publishing, Paris, <https://doi.org/10.1787/5fedabe5-en>.

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DRAFT AGENDA

Tuesday, 18 October 2022

DAY 1. A systemic approach to achieving climate change mitigation targets	
15:00 – 15:20	Opening Session
<p>Opening remarks by:</p> <ul style="list-style-type: none"> • Ms. Kerri-Ann Jones, Deputy Secretary General, OECD • Ms. Gloria Alonso, Deputy Ambassador & Chargée d’Affaires a.i., Permanent Mission of Colombia to the OECD, Co-Chair of the OECD LAC Regional Programme 	
15:20 – 17:45	Session 1. Aligning the national policy framework with climate goals: Getting policies, prices and subsidies right in LAC
<p>Latest OECD analysis shows that progress towards climate change mitigation targets is heterogeneous across countries but lagging overall. This slow progress can be explained by the lack of systemic, integrated and co-ordinated actions, which is exacerbated by the COVID-19 health crisis and the lack of green recovery measures introduced by countries as part of their response. Advancing progress will require reliable data and a set of indicators to allow for proper evaluation of countries’ performance and progress. An inclusive and comprehensive policy mix, combining various economic instruments, standards and regulations, while being adapted to countries priorities, could enable the support to a low-carbon economy.</p> <p>This session will present an opportunity for countries to discuss whether national policy frameworks, in diverse areas, such as investment, taxation, energy, electricity, trade, innovation, agriculture, land use and adaptation, are well aligned with the pursuit of the transition to a net-zero and climate resilient economy. It will also review carbon pricing policies and fossil fuel subsidies, as part of an aligned fiscal agenda to climate mitigation goals.</p>	
15:20 – 16:30	<p>Panel discussion 1a. Aligning policies for a net-zero carbon economy Moderated by Ms. Aimee Aguilar Jaber, Programme Leader, Climate Change Mitigation, Environment, Transitions and Resilience Division, Environment Directorate, OECD</p> <p><i>Comment from OECD:</i> Mr. Daniel Naghtigall, Economist, International Programme for Action on Climate, Environmental Performance and Information Division, Environment Directorate, OECD</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • Mr. Ivan Alonso Delgado, Director for Climate Change, Ministry of Environment and Energy, Costa Rica • Ms. Milagros Sandoval, General Director of Climate Change and Desertification, Ministry of the Environment, Peru • Ms. Sara Gonzalez, Senior Advisor, National Council for Climate Change and Clean Development Mechanism, Dominican Republic

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	Discussion / Q&As: Participants will have the opportunity to discuss with panellists, present their country's / organisation's perspective.
16:30 - 16:45	<i>Coffee Break</i>
16:45 – 17:45	<p>Panel discussion 1b. Carbon pricing and other instruments to support mitigation actions</p> <p>Moderated by Mr. Daniel Naghtigall, Economist, International Programme for Action on Climate, Environmental Performance and Information Division, Environment Directorate, OECD</p> <p><i>Setting the scene/comment from OECD:</i> Mr. Jonas Teusch, Economist, Tax and the Environment Unit, Tax Policy and Statistics Division, Centre for Tax Policy and Administration, OECD</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • Mr. Rodrigo Arriagada, Head of the Environmental Economics and Information Division, Ministry of Environment, Chile • Mr. Raul Delgado, Climate Change and NDC Invest Lead Specialist, Inter-American Development Bank <p>Discussion / Q&As: Participants will have the opportunity to discuss with panellists, present their country's / organisation's perspective.</p>
17:45 – 18:00	<p>Key outcomes from Day 1</p> <p><i>Presented by Dr. Rodolfo Lacy, Director for Climate Action and Environment for Latin America and Special Envoy on Climate Matters to the United Nations, OECD</i></p>

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Wednesday, 19 October 2022

DAY 2. Climate Finance in LAC: the international commitments and private finance mobilisation	
15:00 – 16:15	Session 2. Climate Finance in LAC from an international perspective <i>Moderated by Mr. Raphaël Jachnik, Policy Analyst, Finance for Climate Action, Environment, Transitions and Resilience Division, Environment Directorate OECD</i>
<p>Climate finance provided and mobilised by developed countries is increasing, but it is still far from reaching the USD 100 billion target for climate action in developing countries. The key findings from the recent OECD report will be presented at this session.</p> <p>A discussion will follow on what are the necessary steps that LAC countries need to take to match their needs with the finance provided, and to increase LAC countries absorption capacity of climate finance; as well as on how developed countries can support such transformative changes.</p>	
15:00 – 16:15	<p>Panel discussion</p> <p><i>Setting the scene:</i> Ms. Chiara Falduto, Junior Policy Analyst, Climate Change Expert Group & Research Collaborative, Environment, Transitions and Resilience Division, Environment Directorate, OECD (pre-recorded video)</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • Ms. Amanda McKee, Knowledge and Learning Director, NDC Partnership • Ms. Sandra Guzman; Founder and General Coordinator of the Climate Finance Group for Latin America and the Caribbean (GFLAC) • Mr. Sebastian Nieto Parra, Head of Latin American and the Caribbean Unit, Development Centre, OECD <p>Discussion / Q&As: Participants will have the opportunity to discuss with panellists, present their country's / organisation's perspective.</p>
16:15 – 16:30	<i>Coffee break</i>
16:30 – 17:45	Session 3. Climate Finance in LAC: Setting the right incentives to mobilise private climate finance <i>Moderated by Ms. Geraldine Ang, Senior Policy Analyst, Green Finance and Investment, Environment Directorate, OECD</i>
<p>In 2020, almost USD 7 billion of the total USD 66 billion MDB climate finance commitments were directed to the LAC region, with about USD 2.5 billion allocated specifically to adaptation finance. At the same time, the LAC region, due to its rich natural capital and current demographic and socio-economic trends, could attract climate-smart investments.</p> <p>This session will explore how development banks support a net-zero carbon transition through financing, mobilising private and commercial investment and supporting governments in reforming their climate investments policies. It</p>	

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will also look at corporate climate transition plans and other tools such as taxonomies or responsible business conduct, which can support reaching the Paris Agreement Goals.

<p>16:30 – 17:45</p>	<p>Panel discussion</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • Dr. Kirk Douglas, Director for the Centre for Biosecurity Studies, University of the West Indies • Mr. Rubén Avila García, Climate Finance Specialist, Central American Bank for Economic Integration (BCIE) • Ms. Alicia Montalvo Santamaría, Climate Action and Positive Biodiversity Manager/Corporate Vice Presidency of Strategic Programming, CAF • Mr. Paul Jonathan Martin, Lead Specialist and Acting Practice Manager for Environment, Natural Resources and Blue Economy, World Bank <p>Discussion / Q&As: Participants will have the opportunity to discuss with panellists, present their country's / organisation's perspective.</p>
<p>17:45 – 18:00</p>	<p>Key outcomes from Day 2</p> <p><i>Presented by Dr. Rodolfo Lacy, Director for Climate Action and Environment for Latin America and Special Envoy on Climate Matters to the United Nations, OECD</i></p>

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Thursday, 20 October 2022

DAY 3. How to regionally integrate an effective environmental value chain?	
15:00 – 17:00	<p>Session 4. Technology Transfers in the LAC region: An essential element for enhancing green development</p> <p><i>Moderated by Mr. Luis Cecchi, Policy Analyst, Latin American and the Caribbean Unit, Development Centre, OECD</i></p>
<p>Enhancing innovation, embracing green technologies and diversifying the energy and productive matrix towards less resource-intensive sectors are key factors for attracting green investments and joining global value chains, especially as part of a green transition.</p> <p>This session will focus on how technology transfer can assist LAC countries achieve their climate change mitigation targets, as well as develop their own technology initiatives which can support their transition to net-zero carbon development.</p>	
15:00 – 16:45	<p>Panel discussion</p> <p>Setting the Scene:</p> <ul style="list-style-type: none"> • Mr. Joseph Cordonnier, Policy Analyst, Clean Energy Finance and Investment Mobilisation Programme, Environment, Transitions and Resilience Division, Environment Directorate, OECD <p>Panellists:</p> <ul style="list-style-type: none"> • Mr. Carlos Henrique Fialho Mussi, Chief of Office in Brazil, UN ECLAC • Mr. Miguel Elizalde, Chief Executive Officer, National Association of Producers of Buses, Trucks and Tractors, Mexico • Mr. Nelson Mojarro, Head of Innovation and Partnerships, International Chamber of Shipping • Mr. Jens Sedemund, Team Leader – Senior Policy Analyst, Financing for Sustainable Development Division, Development Co-operation Directorate, OECD <p>Discussion / Q&As: Participants will have the opportunity to discuss with panellists, present their country's / organisation's perspective.</p>
16:45 – 17:00	<i>Coffee break</i>
17:00 – 17:15	<p>Key outcomes from Day 3</p> <p><i>Presented by Dr. Rodolfo Lacy, Director for Climate Action and Environment for Latin America and Special Envoy on Climate Matters to the United Nations, OECD</i></p>

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17:15 – 18:00

Closing Session

Moderated by **Mr. Octavio Ferreira**, Minister at the Embassy of Paraguay in France, Co-Chair to the LACRP, Paraguay

Closing remarks by:

- **Ms. Jo Tyndall**, Environment Director, OECD
- **Mr. Karim Dahou**, Deputy Director, Global Relations and Co-operation Directorate, OECD