

DRAFT Concept

Better Recovery: How can public and development finance deliver an inclusive and sustainable recovery?

London Climate Action Week

01 July 2020 1400-1600

Virtual

Summary

The COVID-19 pandemic has resulted in the loss of hundreds of thousands of lives, while harming the socioeconomic livelihoods of many millions more. The IMF is predicting a contraction of the global economy up to 3%, a 6.3% swing from previous estimates. In response, significant economic stimuli designed to kick-start the global economy and help countries recover from the economic shock of COVID19 are necessary. Whilst the size and shape of these packages are yet to be determined, it is understood that public and development finance have a crucial role to play.

This event aims to bring together international policymakers and experts for a discussion of how international cooperation around public and development finance can enable an inclusive global economic recovery and one that puts the world on a pathway to delivering the Paris Agreement. It will explore the ways in which all actors can work together to support a green and resilient global recovery which leaves no one behind.

Context and key policy issues

The coronavirus pandemic is sending shockwaves through the global economy as countries introduce life-saving restrictions on everyday life. Many governments have responded with an initial phase of economic relief packages targeted at temporarily supporting those businesses and individuals most at risk economically. However, many countries are now looking towards a second phase of economic stimulus, requiring significant public financing and private capital. In the climate change community, there is a fear that measures by governments to kick-start economic growth may be subject to political short-termism, resulting in increased financial flows into carbon-intensive and fossil fuel industries and a step backward on climate action in the run-up to COP26. In this regard, governments face a critical juncture for ensuring that investments support and do not frustrate the need for steep emissions reductions under the Paris Agreement. In this moment of crisis lies an opportunity to deliver ambitious investment programmes which can build the foundation of a new economy that is sustainable and inclusive.

In this moment, new leadership from the international community, strengthened international cooperation and global solidarity is required. This must necessarily be underpinned by strong commitments in terms of public and development finance, in concert with the international financial institutions. With countries facing additional financial pressure from COVID-19, many climate vulnerable and developing countries in particular will require assistance in order to achieve the better recoveries and ambitious climate action pathways that they envisage.

This event will convene senior international policymakers and experts for a discussion of how strengthened international cooperation around public and development finance can enable an inclusive global economic recovery and one that puts the world on a pathway to delivering the Paris Agreement. It will explore the ways in which the international community can raise ambition to enable a green and resilient global recovery which leaves no one behind. Participants will consider the critical decisions that donor countries and public and development finance institutions must face over the next 17 months to COP26, with an eye to the first summit of public and development banks hosted by the French government later in the year.

Goal and objectives

This event is intended to facilitate discussion and generate policy recommendations and actions for stakeholders engaged in economic responses to COVID-19 as well as international climate action. It aims at the following goals and objectives:

- Enable global policymakers to discuss how climate considerations are being reflected in their economic responses to COVID-19
- Facilitate an inclusive dialogue on the ambitions and financing needs of countries in response to the COVID-19 crisis
- Understand the specific challenges facing developing countries in realising their ambitious climate plans in advance of COP26
- Explore the priorities for MDBs and DFIs in the current crisis to ensure an economic recovery that also responds to the climate emergency
- Provide an opportunity to reflect on the role of the UK and London's climate community to raise ambition for a resilient recovery at an international level

Intended outcomes

- Meeting outcomes will be captured in a report summarising the discussions, conclusions, policy recommendations, and actions, which will be widely circulated to interested parties and posted on Wilton Park and other websites

Who should participate

- Policymakers and key stakeholders from developing countries as well as donor countries and others
- Representatives from international public financial institutions including: The World Bank Group; The IMF; and regional development banks
- Government officials, in particular from: finance ministries; economic ministries; environment ministries; trade ministries
- Representatives from London's climate change and financial community
- Representatives from the climate change community including the UNFCCC
- Academics and experts in economic response, green industrial policy, climate action
- NGOs and representatives from the climate change community
- The private sector, including institutional investors, financial services companies and the renewables industry.

Format

This event will feature a combination of short panel discussions and facilitated discussion. The participatory format of this virtual dialogue will help generate fresh insights and analysis. It will be held on the basis of non-attributable discussion in a neutral environment designed to encourage an open and constructive exchange.

About Wilton Park

Wilton Park, an executive agency of the UK Foreign and Commonwealth Office, is a global forum for strategic discussion organising over 60 events a year in the UK and overseas, bringing together leading representatives from the worlds of politics, business, academia, diplomacy, civil society and media. We focus on issues of international security, prosperity and justice. Our meetings (physical and virtual) provide a neutral environment for round-table discussion encouraging innovation in global thinking. Discussions are non-attributable to encourage frank exchanges and open and lively debate.

About E3G

E3G is an independent climate change think tank accelerating the transition to a climate-safe world. E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change. E3G works closely with like-minded partners in government, politics, business, civil society, science, the media, public interest foundations and elsewhere.

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