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PANEL SUMMARIES

9.30 – 11.15 - Part 1: How to ensure the EU leads on green technologies?

Focus: Leaders in Green technologies in Europe

Introduction

In its proposals for an EU 2020 Agenda the Commission is repeating the mistakes of the Lisbon Strategy by presenting a programme without demanding obligations. We need binding targets for critical issues such as resource and energy efficiency, as well as for social objectives.

The restated 20/20/20 targets are inadequate to meet the challenge of climate change and they demonstrate a lack of ambition for Europe's future. Concrete targets must also be set for the preservation of biodiversity.

We need a conditionality clause in the EU budget: The expenditure of the EU-Budget has to be linked to the fulfilling of the EU environmental and social policies. Also, the international level is not addressed in the EU paper: we need ambitious international agreements in the environmental field.

The most important aspect missing in the new document of the EU Commission seems to us: we need a debate on the limits of growth. It is not at all guaranteed that growth is sustainable.

Speakers' comments in brief:

- Many pioneer industries come from Europe
- Europe could risk to loose out on green technologies as Asia is taking more an more over
- We have to invest now in order to replace the old technologies on the energy field
- We need rapid political reaction and stable, long-lasting and reliable policies in order to trigger investment
- We need stronger regulation and ambitious goals in the energy efficiency field
- Lifting taxes on renewable energies would be a good choice
- The technologies for a paradigm change in the energy field are available in Europe
- There are enormous energy saving potentials in Europe
- We should focus not only on one particular sector but on clusters, combined small knowledge-entities
- We need a systematic approach not a pure technology approach in policies

11.15 - 13.00 - Part 2: What role for public and private investment in the Green New Deal?

Focus: Funds, Venture Capital, Banks, Semi-Public Investors

The Green New Deal can be financed using a wide range of financial instruments: green bonds, "pay-as-you-save" mechanisms, venture capital funds, EU funds or sustainable banking. In many cases and at least in the beginning stages, market mechanisms are not sufficient. For example, "pay-as-you-save" systems, in which saving on energy bills pays investment in energy efficiency, will not achieve an objective of 80% CO2 emission reduction as explained by Eoin McLoughlin, from the Comhar Sustainable Development Council (Ireland). In the same way, green bonds will be more attractive to investors if they can benefit from state guarantees. This type of financing will also mix private and public mechanisms in order to achieve environmental goals.

Venture capital financing is a first option. The venture capital industry invested up to €2 billion in green technologies in 2009. Nevertheless, venture capital funds only invest once the research and development phase is over. So, R&D needs to be financed by public funds. In addition, the venture capital industry in Europe has a problem of scale. According to Guido Agostinelli from Good Energies, venture capital funds have difficulties to attract larger institutional investors. The involvement of the European Investment Bank (EIB) and the European Investment Fund (EIF) could help.

Green-oriented traditional banking can be a second option. Banks have special departments for financing green projects, in particular in the renewable energy sector. For example, Fortis has financed 70 renewable energy projects totalling €1 billion. According to Christophe de Winter, from Fortis Bank, banks face different problems in financing such projects. First, the selection process is costly, which means that small projects (under €50 million) are not profitable for the bank. Secondly, the stability of the legal environment needs to be guaranteed for existing projects - regulations regarding loans, energy prices, etc, could change for new projects, but should remain the same for already existing projects. Third, there should be more harmonisation in incentive schemes in order to make them clearer for financing actors.

However, not only traditional banks and venture capital funds can finance the move to a green economy. It can also be done by greening the financing of infrastructure. Some projects can be automatically excluded. Others can be submitted to energy efficiency criteria. Some environmental criteria can also be included in public procurements in order to green public projects. Nevertheless, greening financing implies conducting change inside the financial sector. New banks and new funds specialised in green projects could convince other actors that there are sustainable alternative models. According to Blaise Desbordes, from the French state-owned bank, Caisse des Dépôts et Consignations, investors are ready to have a lower return on investment, if the global costs (financial and non financial) of projects are higher. But such a change supposes a development of new standardised calculation models in order to value environmental externalities in monetary terms.

To conclude, all financial actors present reminded that public actors have the responsibility to define clear targets and to insure a stable environment over time for projects. There is no best way to finance the shift to a green new deal economy. Different financing tools must be used for different projects. The wide range of available financial instruments must be used in order to allocate resources in a more dedicated way.

15.00 - 17.00 - Part 3: Is growth (even if it's green) sustainable?

How much growth is possible, wishful and necessary in a green economy?
How can we measure the success of a green economy?

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