

Department of Commerce Green Finance Roundtable: Key Themes

Panel #1: Green Financing Service Providers:

Lindene Patton, Chief Climate Product Officer, Zurich North America

Mark Nydam, Managing Director, Pacific Corporate Group Asset Management

Sean Stone, Senior Vice President, Silicon Valley Bank

Moderator: Matt Moscardi, Manager, Investor Programs, Ceres

- Insurance products are critically important due to their impact in creating incentives for the development of greener business practices. The insurance sector can use its core skills to support green initiatives by encouraging risk mitigation. It can send lower risk-based price signals to those using greener practices to reduce hazards, in turn encouraging these behaviors. It is important also to note that the role of insurance is not to reduce a company's performance risk.
- One of the most important challenges for the green finance sector lies in determining what a green business model entails and reducing policy inconsistencies that create uncertainty in the marketplace.
- The panel discussed the need to identify ways to bridge the gap between global supply and demand for funding green projects and government's role in this process.
- Panelists concluded that Europe's more developed public policy environment in the green finance space related to its oversight of greenhouse gas emissions. Panelists agreed that increasing regulatory coordination and oversight between the United States and Europe could help level the playing field.
- Panelists stated that greater communication between the scientific community and government stakeholders would facilitate the exchange of important technological and regulatory developments.

Panel #2: Green Finance Consumers

Mike Italiano, President and CEO, Capital Markets Partnership

Seth Pinsky, President, New York City Economic Development Corporation

Bob Bechtold, President, Harbec Plastics

Moderator: Doug Devereaux, Manufacturing Extension Partnership, National Institute of Standards and Technology

- Green building construction and renovation offer significant potential investment returns and economic stimulus. Specific investment vehicles such as green building securities are emerging that can support these sustainable practices.
- The Green Finance sector offers significant job potential but is critically dependent on regulatory clarity.
- Harbec illustrated the challenges for establishing sustainable practices while working within traditional financing models. The rewards – business savings, reduced carbon footprints, and job creation – are equally large.

- Panelists emphasized the earlier panel's message on regulatory uncertainty. Improved coordination on central oversight and the development of standards will reduce uncertainties and help bridge the illiquidity gap between green finance suppliers and users.
- Panelists highlighted a U.S. funding gap for the long-term (10 years) funding of green projects. This gap is often bridged in the European market but still represents missed opportunities for U.S. financial institutions, fewer green projects, and less green job growth.