

High-level Conference on Clean Energy

Brussels

Tuesday 7 November 2017

Sir Suma Chakrabarti, EBRD President

Chairman, Commissioner, Honourable Members of this House, Ladies and Gentlemen,

To conclude today's discussions, I will focus on Europe's leading role in the energy transition. And what a multilateral development bank like the European Bank for Reconstruction and Development can do with our partners in the EU to ensure that our planet remains liveable.

1. Europe as leader in energy transition

- I understand the need to support “transition” has come up a lot today. This is a concept which has been at the heart of the EBRD's work over the past 25 years. And energy and the environment have of course been central to the transition journey from the start.
- And, in the context of our work, we have witnessed the power of the EU Accession process in driving change on the ground across Central and Eastern Europe.
- This same power has already been unleashed to drive the transition to clean energy. European leadership in the energy transition has

delivered specific targets for carbon emissions reduction, for the share in renewables and for energy efficiency.

- The mainstreaming of climate in the EU budget will ensure vital funding, both within and outside the Union, to catalyse climate action and investment.
- For the EBRD, European funds are essential to blend with our own investments. This in turn can generate far higher private sector investment. This significant multiplier effect ensures that for every publicly funded Euro, the climate impact is very high indeed.
- But, beyond positive environmental benefits, this also delivers economic opportunity and jobs. Climate and growth – sustainable growth - can go indeed hand in hand.
- European leadership has delivered a policy and financing framework which supports the business case for competitiveness and sustainability through cleaner and more efficient enterprises.
- The Paris Agreement sends a clear signal that this is the global policy agenda for our shared future, and the framework within which business needs to operate. The “Clean Energy for all Europeans” package cements those new commitments into the rulebook - it charts the course for the next wave of investment.

2. How do we accelerate the drive for clean energy investment?

- So, how should we build on these achievements to accelerate the drive for clean energy investment?

- First and foremost, we need to link investment and policy reform. Strong institutional and regulatory frameworks are a prerequisite for sustainable investments and the EU plays a highly influential role as a rule-maker and shaper. The EBRD and other institutional actors also need to use their leverage to support effective regulatory frameworks at national and sectoral levels.
- Second, we need to ensure the private sector invests at scale and in the best available technologies. We all know that public investment alone will be insufficient and unsustainable. 75% of EBRD's total investments are in the private sector. We have developed a broad range of instruments to mobilise the private sector either directly, or with the support of incentives where there are still market failures.
- Third, there is still a pressing need to strengthen project preparation and implementation capacity. Accelerating financing requires better prepared projects, both technically and from a sound banking perspective. Implementation support is also essential to maximise the environmental benefit of projects. Investment platforms can play a significant role in accelerating the shift to clean energy by combining policy, technical assistance and financing.
- Finally, cities have a special role to play. We are boosting climate action financing at the local level with specific financing and assistance tools as part of EBRD's Green Cities Framework. We are working closely in this context with the Global Covenant of Mayors for Climate and Energy as I discussed recently with Mike Bloomberg in New York and today with President Juncker and Vice President Sefcovic.

3. How can the EBRD contribute to the achievement of European clean energy goals

- To help achieve the European clean energy goals, the EBRD has set an ambitious Green Economy Transition objective of increasing the share of green finance as a proportion of our annual investment to 40% by 2020, the most ambitious target of all multilateral development banks. In fact, we are already reaching this level this year, three years ahead of the target date.
- The EBRD's approach includes a particular focus on the cleanest and most competitive energy of all: energy consumption that is saved through efficiency. We are today the leading multilateral development bank in energy efficiency.
- In recent weeks we also announced financing for the largest wind farm in the Western Balkans, in Serbia, and the biggest solar installation in Africa, in Egypt. Those announcements followed similar ones in Greece and Turkey, countries which are shifting from a legacy of dependence on fossil fuels.
- As we move in to COP23 and towards the One Planet Summit in Paris, events like this one today will certainly help us prepare the ground for a further acceleration of climate action and sustainable financing to achieve the goals of the Paris Agreement.
- The EBRD will continue to work closely with EU institutions and our international partners to drive the transition to a clean energy world. This will be built on technology and on competitiveness, partnerships

and policy leverage, sound financing, and strong and clear international commitments and targets.

- Ladies and gentlemen, one hundred years to the day after the Bolsheviks took power in Russia, we need a new Revolution. We cannot remain as serfs, passive in the face of climate change
- But, instead of heralding decades of the so-called 'Red Menace', I hope you will join me and the EBRD in seizing the 'Green Opportunity'.

Thank you for your attention.