

EU Climate Action: Delivering and Leading

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CHECK AGAINST DELIVERY

Ladies and Gentlemen,

If world leaders reach an agreement here at this conference, they will have taken a momentous step towards protecting our planet.

However, it will still only be a start. To make true progress on climate change, financing holds the key.

So in a joint statement earlier this week, the heads of Multilateral Development Banks announced our intention to further mobilize public and private finance to help countries reduce greenhouse gas emissions and adapt to climate change.

This capital will be allocated to low-carbon sectors that can also generate new sources of economic growth and create new jobs.

We are taking this approach because public banks such as ours have a catalytic role crowding in contributions from both public and private investors.

THE EIB

Climate action is a key priority for the EU Bank and lies at the heart of what we do.

The European Investment Bank is the largest Multilateral Development Bank when it comes to financing projects and combatting climate change.

We expect to finance USD 100 billion in climate action investments over the next five years.

Among the public development banks, we are a unique institution because we operate across Europe (around 90%) and in all developing

countries and emerging economies (around 10%) where the EU has relations.

We are therefore uniquely placed to transfer and disseminate knowledge and experience between our operations within and outside the EU.

As the EU Bank, we of course mostly focus on European projects helping our shareholders, the 28 EU member states, to meet their long-term EU climate targets.

Alongside our traditional loan products, we have worked extensively with the Commission and other public partners over the last decade to blend public funds with banking instruments, increasing the leverage of limited public funds on private sector investment.

We have progressively built up experience in developing dedicated instruments for climate action – including energy efficiency, renewable energy, and First-of-a-Kind renewable demonstration plants.

For example, the Private Finance For Energy Efficiency (PF4EE) is a risk sharing instrument for investments under a joint EIB –Commission initiative on debt for energy efficiency projects.

Outside the EU, we have worked with the European Commission to set up the Global Energy Efficiency and Renewable Energy Fund or GEEREF.

This is a fund-of-funds, which provides global risk capital to unlock private investments in renewable energy and energy efficiency projects in developing countries and economies in transition.

The objective is to get around some of the limitations which locally sourced financing presents.

One of the projects GEEREF is supporting is the Kouga wind farm, in South Africa.

The Kouga wind farm will light up around 50 000 South African homes. The local communities are the first ones to benefit. More than 1 000 new jobs have been created and 15 small and medium-sized local businesses have already benefitted as a result of this investment.

More directly beyond the European Union, we are active world-wide and provide well over USD 2bn in climate finance every year in developing countries.

Our focus outside the EU is set to increase.

At the World Bank-IMF Annual Meetings in Lima, the EIB joined the pledges by Multilateral Development Banks to increase their climate finance.

The EIB will increase the proportion of its lending in support of climate related investment in developing countries from 25% to 35% by 2020.

At the same time the bank will maintain its target of at least 25% overall.

While the remaining 75% is targeted towards other policy objectives – The EIB mainstreams climate action throughout its entire portfolio, which means we assess possible environmental risks and are integrating broader climate considerations in all operations we consider for financing.

I am confident you will be seeing more projects of the quality of the Lake Turkana wind farm project.

Financed in cooperation with the African Development Bank, this project is helping to transform the supply of renewable energy in East Africa.

It's now the largest single wind farm in sub-Saharan Africa and is expected to generate around 20% of Kenya's power and provide 300MW of reliable, low cost wind power to the Kenya national grid.

We also look forward to accreditation as an implementing agent for the Green Climate Fund.

In particular, as I mentioned earlier, we have built up considerable experience in blending donor funds with banking instruments.

We hope to be able to put this experience to good use within GCF.

I would like to flag one example.

As part of the Sustainable Energy for All initiative, the Bank has been developing a pilot programme in sub-Saharan Africa to attract private-sector investment into small-scale renewable technologies such as run-of-river hydroelectric power.

This joint UNEP-EIB Renewable Energy Performance Platform (REPP) is due to start in the first quarter of 2016, specifically aims to increase the access to risk mitigation products for small project promoters.

To conclude: the EIB has a very strong track record of products and instruments to overcome barriers to financing climate action.

We also have the due diligence in place to ensure that climate benefits are maximised across our portfolio.

We will continue to build on this, through our new EIB climate strategy, approved by the EIB Board in September.

This strategy is guided by the EU climate and energy policy goals for 2030 and focuses on three areas that we will aim to further improve:

1. the impact of our climate financing
2. financing for climate change adaptation
3. further integrating climate change considerations across all of the Bank's standards, methods and processes

Allow me to conclude by saying that the EIB is ready to stand with all of you to contribute to a successful outcome of the Paris conference and beyond.