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Bank

**Crowding in Private Investments for Jobs & Sustainable
Development**

Maximizing the Job Potential of Innovative Financing Tools

20 April 2018 at 14:30-15:45

(3 minutes)

Check Against Delivery

Seul le texte prononcé fait foi

Es gilt das gesprochene Wort

ROUND 1: JOBS

What measures should development finance institutions take to embed jobs results in their support to private sector and maximizing finance?

The focus of our panel brings us to the heart of the challenge facing the development community today: No amount of public funds and grants can bridge the **trillions of dollars of additional investment** required annually to achieve the Sustainable Development Goals.

We need to **crowd in private sector finance**. And “crowding in” private finance has been at the core of EIB’s business model for the past 60 years, in both how we invest as well as how we fund our activities. Let us first consider our investments:

At EIB – the EU Bank - we **place private sector development**, the engine for sustainable economic growth and jobs, at the forefront of our operations: for example, almost two thirds of EIB’s recent activity in Africa targeted the private sector.

To **support local private sector development** we use instruments such as credit lines to local banks or microfinance institutions, as well as risk finance and equity for start-ups, social impact funds and innovative SMEs.

Our financial sector operations focus more on helping private enterprises sustain and create jobs through enhancing access to finance.

This helps ensure that cash-strapped businesses are able to get the long-term financing they need to **sustain and create jobs**.

At the same time, **Infrastructure projects** create an enabling environment for private sector development and job creation, while contributing to improvements in quality of life for beneficiaries.

At EIB, in all of the aforementioned operation types, we measure expected results in terms of job creation and jobs sustained in our state-of-the-art Results Measurement Framework introduced in 2012.

Now let us look **at the funding side of our activities**. This morning, I announced the launch of the EIB Sustainable Awareness Bonds. Just as we pioneered the green bond market, issuing our first Climate Awareness Bond in July 2007, we now aim to replicate this success – and with capital market investors – mobilise private finance and raise awareness for sustainable development.

As reported in UN Environment Inquiry: *Making Waves*, there has been a **fourteen-fold increase in labelled green bond issuance** from USD 11 billion in 2013 to USD 155 billion in 2017. A key factor that led to this growth has been the **market-creating role of public authorities**, including key development banks.

But there is a lot more to do!

Going forward I expect financial instruments to continue to be of vital importance to supporting sustainable growth and jobs. As the EU Bank, I can assure you of our full commitment to strengthening their use and impact, in **partnership with our friends** at the European Commission, EEAS and European bilateral development agencies.