

MDBs, Business And Governments: Financing Clean Energy

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London, March 13, 2007—More than 200 representatives from leading public sector institutions and global private sector businesses gathered in London to identify practical ways to finance clean energy and address global climate change.

"Financing clean energy: a framework for public-private partnership to tackle climate change" was co-organised by the EBRD, World Bank, World Economic Forum and World Business Council for Sustainable Development. It brought together global business leaders including energy companies, utilities, industry and financial institutions, government representatives. UK Chancellor Gordon Brown, World Bank President Paul Wolfowitz and the heads of regional development banks addressed the conference and heard from business and industry leaders about practical ways to encourage the private sector to invest in a lower carbon economy, including through energy efficiency and renewable energy.

Paul Wolfowitz, President, World Bank Group, said poor countries are right to argue they should not have to pay the price for fossil fuel dependent growth in the rich countries. "Rich countries need to lead by example. Today, OECD countries are moving forward with plans to renovate and replace virtually their entire power plant infrastructure. The decisions made in capitals across Europe and North America today will affect generations to come – so it is essential that they make the right choices and invest in clean technology and move towards low carbon strategies," said Mr Wolfowitz. "Rich countries will also need to lead with direct support to developing nations. We need to reduce poverty and reduce emissions."

Jean Lemierre, President of the EBRD and host of the conference, said the debate on climate change is well known, but international organisations now have a role in working more effectively with the private sector around the world in reducing carbon use. He said the main purpose of the conference was to hear from corporate and banking leaders what obstacles are preventing them from financing sustainable energy and how governments and MDBs can help reduce such obstacles.

Gordon Brown, UK Chancellor of the Exchequer, said: "Today I call on the Presidents of the MDBs to jointly set out a level of ambition for the scale of investment which can be mobilised through their Frameworks. We have a major challenge in front of us. We need to identify the scale of the response which we intend to make, and bring the private sector – not just foreign investment, but domestic capital in developing countries - firmly into the Investment Framework discussions."

Lars G. Josefsson, President and CEO, Vattenfall AB, said the wise handling of this challenge required global cooperation on many fronts, and no region, country or sector could handle this challenge alone. "Today business leaders in general have an open attitude towards taking action. We need the support of the global community to shape a stable framework, which creates incentives for commercial solutions, technological development and market-based investments," said Mr Josefsson.

Building on the growing consensus that determined action is necessary to address climate change concerns, day-two of the conference was designed to identify specific measures to significantly increase financing to reduce greenhouse gas emissions.

Working groups with senior staff from private sector companies and the various institutions attending the conference will discuss specific issues and opportunities for enhancing private sector financing in the following areas: energy production, renewable energy, energy efficiency, climate change adaptation, and new financing instruments. While the Multilateral Development Banks will explain their initiatives, the key objective of these working groups will be to identify a specific set of actions to increase private sector participation in each of these areas in cooperation with MDBs, and to be undertaken as quickly as possible. A final plenary will define the way forward and specific actions for follow-up. The outcomes of these working groups will be presented at the international Gleneagles Dialogue on climate change at the September meeting under Germany's G-8 presidency, ahead of the World Bank's annual meetings.

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