

Check upon delivery



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Opening Statement

by

**Monique Barbut, CEO and Chairperson
Global Environment Facility**

**Opening Ceremony
Energy for All – Time for Action
Vienna (Austria)
June 21, 2011**

Ladies and gentlemen, friends.

First I want to thank Kandeh Yumkella for his invitation to be part of this forum.

Working to bring about an energy revolution is not just an ecological necessity, but also, and more importantly, an economic one. And so is universal access to sustainable energy. The question is, what does this revolution entail? The need for increased access to reliable energy to promote sustainable development is clear. Yet the scale of the challenge remains considerable.

Globally, \$34 billion is needed each year to achieve the goal of universal access to modern energy sources. This is a lofty sum of money, and to realize this investment will demand serious and sustained engagement of private and public actors, as well as action with the least developed countries and emerging economies.

The core challenge of this “energy revolution” is ensuring energy access to the poorest of the world, and at the same time finding a sustainable low-carbon pathway for all.

In both cases the public sector, on both the national and global level, has a strong and important role to play in ensuring that new or improved access to clean energy is sustainable, whether the source is renewable energy, smart access, energy efficiency or a combination of those options.

The public sector in the poorest countries must contribute to investment financing as experience has shown that the private sector is reluctant to invest in countries with low effective demand and high financial and political risks.

Universal access will not be achieved if this truth is not acknowledged, although myriad ways exist to provide energy to the poorest through intelligent partnerships, by developing, for example, the Esco system that is financed by the public and private sectors and consumers.

Public-private partnerships in the LDCs must also help meet the substantial need for investments in electricity generation, industrial development, and other key areas. Innovative financial tools—such as energy performance contracts, credit lines, risk guarantee funds, and CDM carbon finance—are well validated and already at work in many countries helping leverage substantial private sector financing.

In emerging economies, energy is a profitable activity for which public financing with concessional terms such as the GEF should not be used to finance investments. This financing must, however, support pilot programs on innovative technologies such as concentrating solar power technology or new modes of public transport. But, more importantly, international financing must support national public policies already in place with a view to defining and implementing a low-carbon economy. This is what the GEF is working to achieve in Asia in particular.

Financial support to countries must therefore be determined on the basis of their individual needs; there can be no single energy financing policy.

However, in addition to harming the environment, certain extremely costly practices across the globe have proved nonsensical from an economic standpoint and must therefore be amended.

Take, for instance, the use of fuel subsidies. Governments from producing and consuming countries have both been boosting their use over recent years, reflecting higher global energy prices, especially for oil.

Yet these subsidies, aimed at protecting consumers, have largely been poor substitutes for concerted social safety programs. As part of our energy revolution we need to encourage policymakers at both the national and global level to consider ways to fully commit to growing a low carbon economy by phasing out inefficient fuel subsidies and considering progressive policy incentives to get the private sector more involved in renewable and efficient energy options. These ideas that I have shared with you will help guide the GEF's policies.

To date the GEF itself has invested \$3.1 billion directly toward a low carbon future; of that about \$2.3 billion has been earmarked specifically for

renewable energy and energy efficiency projects. That in turn, thanks to our network of public and private partner stakeholders, has leveraged another \$20 billion. It's a model that investors, public and private sector alike find compelling: over our history we have addressed over 2.5 billion metric tons of CO₂ at an effective cost of \$1/metric ton- results that we plan to replicate in the next four years of our new funding cycle.

The bottom line is that if we really want, as the Beatles song goes, "to have ourselves a revolution," we must turn our attention to integrated approaches and innovative partnerships.

We all want to change the world...and the GEF is ready for the transformation.

Thank you.