

*Business perspective: Richard Samans, Managing Director, Centre for public-Private Partnership, World Economic Forum.*

*Financing Clean Energy: A Framework for Public-Private Partnership to address Climate Change*

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Thank you, President Lemierre. Let me express gratitude on behalf of my colleagues here from the private sector and particularly our partner organisation, the World Business Council for Sustainable Development, whose COO, Jürg Gerber, is here with us as well, for the spirit of cooperation that you have articulated along with the Ministers thus far.

This is quite a remarkable time to be in Europe discussing this issue, on the heels of the very significant progress made on this continent in the last couple of weeks at the EU summit, and certainly no-one could be here in London today without noticing how this issue has risen to the very top of political discourse in this country.

The private sector has been moving, as you know, in quite a variety of ways on this issue even the absence of a long-term policy framework on this issue and that is, of course, what is necessary ultimately I think to stimulate at scale the level of private investment that would help mediate an efficient and comprehensive response to this problem. Companies, even in the absence of that long-term framework, recognize that this is perhaps the most global of challenges that we face in humanity. There is a need for results to be achieved on a global level. We see growing interest on the part of companies in a variety of sectors to work with the public sector to find ways to transform energy systems in developing countries without impeding economic growth or hindering the pace of progress in living standards.

That is the focus, very specifically, of the Gleneagles Dialogue that was undertaken flowing out of the G8 summit a couple of years ago and which now involves 20 governments. That is why we responded positively not so long ago to a suggestion, an invitation by the UK Government, which has served as the secretariat or the steering capacity for the Gleneagles Dialogue, that we use our platform to help facilitate some ongoing input from the private sector, our leading companies in a

variety of sectors, in dialogue and thought on how a global response to transform energy systems could be achieved.

In the intervening months we have put together a task force, if you will, of about 40 of our leading companies. We have engaged in partnership with the World Business Council for Sustainable Development to broaden the congregation of private sector input and interaction with the public sector on this issue. In Davos, at our annual meeting a couple of months ago, we held an extensive set of discussions at the CEO level to get some initial guidance and soundings from a number of companies and we set for ourselves as part of this overall public-private cooperation with the Gleneagles process three basic topics to focus private sector thinking. One is this issue, financing, the financial structure of incentives and capacity out there to try to mobilise a more scaled degree of investment in low carbon energy systems. The second is changing behaviour. The public and private sector perhaps could think together how consumer behaviour could be modified over time. Are there aspects of government procurement or aspects of the way that the private sector communicates with consumers that could help make a larger market for low carbon types of economic activity? The third is on the policy side. In discussions at the Gleneagles ministerial level meeting last autumn we were given a suggestion by the Japanese delegation there at that time that they would welcome a set of guidance on the policy framework to the G8 next year that will be hosted by Japan in the Summer.

So it is within the context of the finance track of our work with the Gleneagles Dialogue that we also responded positively to the suggestion that we partner with the Bank and other MDBs to help structure a public-private thought process, if you will, about how multilateral development banks could be best deployed – their capital, their expertise, their other capacity – to increase private investment in green energy or low carbon types of energy systems.

The international community, of course is are very familiar with using the collective pool of capacity that is embedded in the multilateral development bank institutions for global challenges like poverty eradication or disease reduction, and it is altogether sensible, it seems to us at the Forum, which is essentially a platform for public-private interaction, to enter into a thought process about how the multilateral development

bank institutions could in fact be more effective in using its resources in working with the private sector to stimulate private investment. They can help countries improve their regulatory environments, which are obviously critical, to encourage the private sector to come in and invest, including by eliminating fossil fuel subsidies or stimulating investment in renewables. They can fund capacity building in both the public and private sector with respect to the preparation of specific projects to build an attractive project pipeline, and otherwise, and they can mitigate risks through financial incentives and otherwise that will, in the absence of a comprehensive long-term policy framework, help encourage the private sector to come in and make investments where there are uncertainties in the long run.

There are some very powerful assets at the disposal of the MDB community. We are pleased to be here for a series of conversations to help perhaps sharpen the focus, develop further the climate investment framework that has been put on the table already, and help to give exactly that practical feedback as to what are some of the most promising sectors, instruments, other aspects of interventions by the private sector that would elicit a significant private investment response.

With that, I want to indicate that we are prepared here not just to have a meeting but to enter into a process. What will happen tomorrow after today's proceedings is an all-day set of discussions broken into five topics, five working groups, which will be co-chaired over the next five or six months by a multilateral development bank official and an executive from a company, and we will build around them a set of companies that will work together on developing some ideas and some recommendations that should be available to be fed into the ministerial discussion that will occur in the Gleneagles Dialogue process in the autumn and potentially even into the World Bank's annual meeting if there is an appetite for some discussion of those ideas at that time.

Again, let me thank our partners in putting together this important public-private thought process, EBRD for hosting, and the World Bank, as well as the World Business Council on Sustainable Development and I look forward to the discussions today and tomorrow. Thank you.

(Applause)