

**ADDRESS BY
HRH THE PRINCE OF WALES**

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT ANNUAL MEETING 2020

Ladies and gentlemen, it is most kind of you to have invited me to deliver this Special Address to the European Bank for Reconstruction and Development's 29th Annual Meeting, particularly as the E.B.R.D. is an institution which has been dedicated to the transition to sustainable markets ever since its founding nearly thirty years ago. Some of you may recall that when I opened your current headquarters in Exchange Square at the heart of the City of London all those years ago in 1993, I highlighted then the important role the E.B.R.D. had to play in "generating and sustaining the right momentum". Now, I need hardly say how encouraging it is to learn that in your vital work on the green economy it seems you may possibly have taken my words to heart...!

I know that there are many examples of the E.B.R.D., in collaboration with its partners, investing in resilient, low carbon economies through the private sector. One such example is the financing of the Benban solar plant, the largest in Africa, providing six million panels in the Egyptian desert to power one million homes. Another example is the E.B.R.D.'s Green City programme, to which more than forty cities have signed up, and which encourages private and public investment in water and wastewater, transport, energy efficiency in buildings and waste management. I hear that this programme is helping Tirana, the capital of Albania, to create a ring of urban forest around the city, in order to

use the power of Nature to manage water and flooding through green, rather than grey, infrastructure.

There are, of course, many more such examples, and I did just want to applaud, if I may, the E.B.R.D.'s intention to invest even more of its total business volume in the green economy. If I may, however, I really do want to encourage the Bank – and other business leaders and the E.B.R.D.'s shareholders – to be even more ambitious, and even more radical. This may not be the message you want to hear, but time is rapidly running out, believe you men, in which to make the long overdue changes that are so vital for our future.

The current pandemic exemplifies the devastating impact global threats can pose to human and economic wellbeing. As recent reports reaffirm, human induced climate change and industrial activities are destroying, degrading and fragmenting Nature at an unprecedented rate – affecting the life-sustaining systems on which we all depend.

As some of you may know by now, I have been trying to say for over forty years that we are testing our world to destruction and that this crisis has for far too long been decried, denigrated and denied. If we have the resolve to shift our trajectory, we must start now by bringing forward our net-zero target – I am afraid 2050 simply suggests we have room to delay. We do not. For my

part, through my Sustainable Markets Initiative and The Great Reset, I am working with ‘Coalitions of the Willing’ to identify and scale up solutions that aim to put Nature, people and planet at the heart of our economy. To accelerate these efforts, at the opening of Climate Week last month I called for a form of ‘Marshall Plan for Nature, People and Planet’ to advance a ‘blue-green’ recovery and set the course for a sustainable future rooted in a new economic model – in other words, a circular bioeconomy that puts Nature and the restoration of Natural Capital back at the centre of the entire process. Ladies and Gentlemen, International Financial Institutions and Development Banks such as the E.B.R.D. have an absolutely crucial role to play in this. After all, we know that it is not a lack of capital that is impeding our progress, but how we deploy it.

At a global systems level, as we consider the framework for a Marshall-like Plan, I believe there are six core levers that could accelerate our progress. These include:

Firstly – implementing effective and equitable carbon pricing – or the “polluter pays” principle – to accelerate de-carbonization by changing the behaviour of consumers, businesses and investors while unleashing innovation and generating revenues that can drive the green recovery.

Secondly – accelerating the development, implementation and scaling up of carbon capture, use and storage, both Nature-based and engineered, to help to buy us time, allowing us to rapidly draw down carbon emissions as we transition towards a net zero global economy. I fear, Ladies and Gentleman, there will simply never be an adequate reduction in carbon emissions without carbon-pricing and carbon capture.

Thirdly – establishing a credible and trusted global carbon offset market to connect well-meaning net zero offset efforts with credible and effective Nature-based and engineered solutions to reduce carbon emissions and restore biodiversity.

Fourthly – tackling perverse subsidies – such as those for fossil fuel, forestry, fisheries and agriculture – to transform the lives and livelihoods of millions of small farmers, landowners and fishermen, along with rural and coastal communities all around the world – this would further help to maintain food security and employment.

Fifthly – creating a recognized global ecosystem services market to incentivize farmers and landowners to increase and measure soil organic carbon, reduce greenhouse gas emissions and improve water quality and water use efficiency.

Sixthly – advancing sustainable urbanism to tackle rapid urbanization while improving the urban-rural balance and protecting ecosystems, Natural Capital and food production.

All these measures would make a real difference in rapidly shifting our economy onto a more sustainable trajectory. Without them, we will fail in our overriding responsibility to future generations. Surely, we cannot just sit here and let this happen when we know what needs to be done – now? By working with Governments, industries, businesses and investors on their net zero roadmaps and economic transition priorities, we can align our efforts and our investments to achieve acceleration and scale. We have an incredible opportunity to create entirely new sustainable industries, products, services and supply chains. Moving together, with clear roadmaps, we can create efficiencies and economies of scale that will allow us to leapfrog our collective progress and accelerate our transition.

In order to accelerate the restoration of biodiversity and Nature's ecosystems in the short time left to us, it will be essential to target coordinated and globally trusted carbon-offsetting funds from the entire private sector to the recovery of Natural Capital and the reduction of carbon emissions. Similarly, to buy us crucial time as we transition, Carbon Capture, Use and Storage will be

utterly vital if we are to draw down on the excess of carbon that needs to be and must be, removed from the atmosphere. We will not win the battle otherwise...

To have the impact required, we must also think at scale. Global mega projects such as '30% by 2030', the Great Green Wall, Africa 100, the 20x20 Initiative in South America and many others, have the potential not only to improve natural capital, but also to increase opportunities in the green economy while improving sustainable jobs, livelihoods and local economic growth.

We must also take rapid and robust action to reverse perverse subsidies and improve incentives for sustainable alternatives. Re-orientating economic subsidies, financial incentives and regulations can have a dramatic and transformative effect on our market systems. Public policy, therefore, has a critical role to play – particularly, if I may say so, in the development of an effective, equitable form of carbon-pricing – perhaps one based on a “Citizen Dividend” model – which could unlock a huge flow of investment into zero carbon technologies currently seen as uneconomic, as well as providing the wherewithal for a green recovery and enhanced employment opportunities on a global scale.

Ladies and Gentlemen, achieving a sustainable future is the growth story of our time and can, in fact, fuel our post-pandemic recovery in a way that pays

dividends for decades to come. The exponential win-win benefit only comes when we find points of common interest and a start to use targeted investment in order to scale up existing examples of best practice around the world. For instance, as the World Resources Institute (of which I am Patron) has indicated, for every dollar invested in the restoration of coastal mangrove forests there is a return of \$5. Knowing the direction of travel is half the battle, which is why these roadmaps are so critical. The more we know about our shared ambitions for the future, the more we can help each other to get to the destination.

But after so much delay, procrastination and ceaseless talking, the window for action is rapidly closing. A new ‘Marshall-like Plan for Nature, People and Planet’ is urgently needed if we are to align our collective efforts for the highest possible impact and to save our planet from continued destruction. I trust, Ladies and Gentleman, you will all agree that our children and grandchildren deserve nothing less – it is, I am afraid, up to all of you, Ladies and Gentlemen, to lead the way out of the mess we have created – now!