

## ODILE RENAUD-BASSO'S SPEECH

*11 July 2021*

I would like to first thank the Italian G20 Presidency for hosting this important event, as well as thanking the IMF and World Bank Group for facilitating the work of Working Group 1 and 2 over the past several months.

The EBRD is fully committed to supporting our countries of operations and clients in making rapid advancement in decarbonisation and transition to a sustainable future. Last year, we pledged to becoming a majority green bank by 2025, and just last week at our Annual Meeting, our Governors adopted the resolution to fully align all EBRD's activities with the objectives of the Paris Agreement by the end of 2022. We have and will continue to work closely with other MDBs and development partners to enhance coordination and collaboration to further catalyse global climate action.

We strongly believe strengthening our combined efforts and reinforcing common vision across both public and private sectors are essential to successfully deploying policy support and finances in appropriate solutions at the scale and urgency needed to address the enormous challenges particularly the emerging and developing countries face. This challenge also provides unique window of opportunities for economic transformation that can generate multiple socio-economic co-benefits, if we work together and mobilise participation across the broader society.

So what are concrete actions we can take to accelerate global coordination and policies for emerging and developing countries?

1. First, we strongly support enhanced coordination in supporting the development LTSs, in particular the joint MDB LTS Initiative. Under this Initiative, we can enhance our in-country policy coordination and support for LTSs and promote a consistent approach across countries, enhancing confidence that the LTS will deliver long-term economic transformation under common vision for the future. The results of this support will also inform the Paris alignment of MDB financial flows. It will help accelerate greening of financial systems in countries by providing strong market signals. Investors will be informed on the type of investments that contribute, or not, to the long-term sustainability, resilience and competitiveness of the overall economy. Leveraging on our capacity as development banks to mobilise various stakeholders, enhanced coordination in our policy support for LTSs will help accelerate knowledge transfer, increase country-ownership and allow translation of LTSs into long-term climate planning and sectoral, sub-national or

# INTERNATIONAL CONFERENCE ON CLIMATE CHANGE

economy-wide actions.

2. Second, mobilising the trillions in the market towards sustainable investments, in parallel with accelerating the retirement of high-carbon assets, is unequivocally where the crux of the challenge lies. So far private sector engagement on climate policy in emerging and developing economies have been very limited. We believe the MDBs can play a critical role in brokering these dialogues through in-country platforms to mobilise private sector participation in climate discussions and identify policy and regulatory barriers that can unlock or incentivise investments, which support NDC and LTS implementation. Such parallel effort to engage bottom-up will improve the quality of national climate policies and regulations, as well as increase social awareness and acceptance towards policy reforms.
3. Lastly, real and meaningful carbon prices are essential for emerging and developing economies to meet their Paris Agreement commitments. Carbon pricing provides coherent market signals to investors and informs investment decisions, and in turn helps mobilise private capital at scale along the lines of economic efficiency and optimal climate risks allocation. We encourage and support the uptake of carbon pricing schemes, from carbon taxation to carbon markets, which take into consideration national circumstances. And to do so, carbon market developments need to be embedded in LTSs and NDCs. At the same time, international markets, including Article 6 instruments, need to be used to support countries develop sectoral emission baselines and robust MRV practices to enable implementation of carbon instruments.

We as EBRD are already engaged in activities supporting our countries of operations develop long-term decarbonisation pathways, facilitating dialogues between government and businesses in various economic sectors, and developing robust economy-wide carbon emission trading schemes, such as in Kazakhstan and Ukraine. We look forward to combining our efforts with MDBs and other partners, and work towards defining a concrete set of deliverables to be presented at COP26. Thank you.