

**World Leaders Summit - Dialogue II**  
**Inequality - Is the COVID-19 crisis really a**  
**game-changer?**

**5 October 2021**

**Statement by**

**Dr. Werner Hoyer, President of the European Investment  
Bank**



**Dr. Werner Hoyer, President, European Investment Bank**

UNCTAD 15 - World Leaders Summit Dialogue

**Dialogue on inequality: Is the COVID-19 crisis really a game changer?**

Tuesday 5 October, 14:00 – 15:30PM (Luxembourg),

**“Addressing inequalities and fostering a more inclusive recovery requires financial resources. How can the EIB contribute?”**

Madam Prime Minister, Secretary General, esteemed panellists and guests,

It is a great pleasure to be here today to talk about how the EIB can contribute to an inclusive global recovery.

In these truly exceptional times, our resilience is tested to the maximum extent. Our societies are not equipped to live in a world dominated by uncertainty for too long.

Our challenge today is a test of multilateralism. Our response must be a testament to the strength of our multilateral ties.

We need commitment and flexibility to cushion the dramatic impact of the COVID-19 crisis, while being more decisive about the shared principles and long-term objectives guiding our recovery.

Many of you know the European Investment Bank as the EU climate bank, not least as a result of our resounding “no” to financing fossil fuel-based energy projects.

What not many of you might know is our commitment to innovation – we have the largest portfolio of innovation projects held by any multilateral development bank.

And our commitment to development, lending EUR 10 billion outside the European Union every year.

For me, it is very important to highlight this wide range of activities. Climate, Innovation, Development must all be seen as inseparable parts of same approach.

Only if we manage to work and succeed on all three fronts together will we have a chance of transitioning towards a sustainable economic system, rapidly reducing greenhouse gas emissions, and achieving the UN Sustainable Development Goals

As a global bank, at the EIB we provide tailored support to different regions worldwide.

In addition to our financial firepower, our great strength lies in our unique technical expertise. At the Bank, an army of top engineers and scientists puts every single project through its paces, which ensures the project's sustainability. Our engineers contribute to significant knowledge transfer both within and beyond the European Union.

EIB's development work represents an investment bridge between EU policies and projects on the ground, and responds to the growing demand for strategic cooperation between the world and Europe.

It is important for us to listen to leaders, and partner with players that are ambitious and committed innovators. I am convinced that this is key for mapping shared investment priorities to ensure a sustainable and inclusive recovery.

In response to the pandemic, we have mobilised financing in more than 100 countries outside Europe. By combining EU guarantees with EIB financing, Team Europe has supported greatly COVAX and stay committed to it. We are also proud to be early backers of BioNtech, whose mRNA technology has been so instrumental in the fight against Covid.

Ladies and gentlemen, while we have to step-up vaccination efforts, climate change is intensifying the world's challenges, causing forced displacement and contributing to fragility.

Many of the vulnerable regions suffering the most have contributed very little of global greenhouse gas emissions. These countries now have the opportunity to leapfrog directly into a greener future through the use of new technologies.

The European Investment Bank has six decades of experience in providing development finance.

Over the last 10 years, our financing outside the European Union has totalled EUR 78 billion, of which EUR 27 billion has gone to Africa, and half has gone to the private sector.

We have developed and refined our operations significantly in recent years, harmonising our approach with the positive changes occurring in emerging economies. Those changes took on a new impetus from discussions among EU policy makers on how to enhance European finance architecture for development.

I am happy to share with you that from January 2022, at EIB we will reorganise our activities into a dedicated organisational structure for Development. This will improve the way we deliver our development finance in close cooperation with our colleagues from the European Commission and the European External Action Service.

We will strengthen our local presence, placing more bankers and engineers at the disposal of Team Europe on the ground.

This will mean more development impact. It will respond to the growing need for ever stronger bonds between Europe and the world, enhancing economic and trade ties.

We are not daunted by the challenges. In fact, we are inspired by our mission to put the European Union's climate action and development goals into operation on the ground – and by our role in supporting the fulfilment of the ambitious aspirations of our partners.

The recovery will take time and energy. And it will require close partnerships building on our respective strengths. We look forward to working very closely with many of the organisations participating in this exciting dialogue today.

Thank you for your attention.

### **“How can national and regional concerns feed into global discussions and multilateral processes for a more equal world?”**

The European Union was founded on multilateralism, and we work continuously to grow and deepen our relations with partner countries. Indeed, the promotion of regional integration is a central pillar of our relations with the rest of the world.

Through our development cooperation, we have invested hundreds of millions of euros into regional integration through, for example, the Caribbean Community, the Community of Latin American and Caribbean States, the Association of Southeast Asian Nations, the African Union, and many other regional organisations.

We are leading the way in establishing economic partnership agreements that support trade and investment in an equitable and balanced manner.

With the world facing the twin challenges of the COVID pandemic and climate change, we live by the motto: In varietate Concordia. Unity in diversity.

The European Union is built on the power of diversity. And this diversity does not stop at our borders. We believe that everyone is strengthened when we embrace diversity, and act in unity.

United we stand, and divided we fall.

Let us consider the impact of climate change on small island states. We congratulate the Caribbean and Pacific nations on their leadership in promoting the need for decisive action on climate, and particularly on adaptation.

As highlighted by the region's leaders, we urgently need to prioritise investments enhancing resilience.

For the EIB, climate adaptation is about promoting opportunities and development while preparing for an uncertain future. The projects the EIB is financing are about making sure

that when extreme events occur, people are protected and can continue living their lives in safety.

These projects take time to prepare and implement, but when EIB is involved, we act to ensure the highest standards in environmental and social due diligence, good governance, and accountability. This approach ensures value for money for the citizens that benefit from the projects we finance.

Considering the challenges posed by climate change, we need to do more, and we need to do it faster. We need additional initiatives and projects in order to address the investment gap that vulnerable nations are facing. Public funding and traditional grant instruments will not solve all the challenges.

At the EIB we can help identify and implement innovative financial instruments for the benefit of Small Island States and vulnerable nations.

One flagship example is the EU's blending facilities, which in the last decade have made around EUR 10 billion euros available in grants, to complement loan financing by multilateral development banks. In the future, such grants will also be complemented by guarantees to promote greater private sector participation.

Such blended finance has led to improved social and environmental outcomes of investments. It has provided training and awareness raising around climate vulnerability. It has increased the affordability of new social infrastructure, and improved access to finance for millions of small businesses. This is just one example of how the EU is working to provide global solutions, based on our understanding of national and regional challenges, especially for the most vulnerable.

Ladies and gentlemen, multilateralism is the life-blood of the European Union. The EU and the United Nations are inseparable partners in this respect. We stand for a rules-based global governance system. Together, we respond to global crises, threats and challenges that cannot be addressed by individual nations acting alone, and require cooperation and coordination based on universal values.

A big thank you for bringing us together. We look forward to working with you all in tackling these challenges.