Scaling up Finance for Sustainable Energy Investments

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As Prepared for Delivery

Your Excellencies, Mr. Secretary-General, honored and distinguished guests,

We are now one year in to the UN Decade for Sustainable Energy for All. As very proud partners in the global platform created by Secretary-General Ban Ki-moon, we are strongly invested in the three goals of SE4All:

• To bring energy access to the more than 1 billion people in the world living without electricity
• To double the share of Renewable Energy in the energy mix, and
• To double the rate of improvement in energy efficiency.

These three goals are interlinked and vital for achieving the twin goals of ending extreme poverty by 2030 and boosting shared prosperity. It is no coincidence that the proposed Sustainable Development Goal on Energy has also focused on the three areas of access, clean energy and energy efficiency.

We estimate that there are nearly 3 billion people—about 40 percent of the world’s population—who still lack access to clean-cooking fuels and efficient cook stoves. Even in countries that provide widespread access to electricity, many grids are not providing reliable service. One in three developing countries experience at least 20 hours of power outages a month.
When countries lack reliable access to electricity, people and economies suffer—women and girls spend hours collecting fuel, clinics can’t store vaccines, children cannot do homework at night, and businesses are unable to compete.

Today, in partnership with the UN, Bank of America Merrill Lynch and BNDES, we are releasing the SE4All Finance Committee’s report on how we can unlock the much needed public and private investment in sustainable energy. The report estimates that we need to triple current investment levels to over $1 trillion a year if we are to reach the three SE4All goals by 2030. This amount of capital cannot be mobilized without the private sector.

The World Bank Group – including our private sector and insurance arms IFC and MIGA – has the necessary tools and instruments to accelerate private investment. In West Africa alone, the World Bank Group will mobilize $10 billion in private investment for energy over the next few years. To attract private investment, it’s critical to have bankable projects that focus on access, renewables, and energy efficiency. Through the Global Infrastructure Facility, we have an open partnership platform for project preparation; the African Development Bank, the Asian Development Bank and other multilaterals also have project development vehicles. Through the IFC’s infra-ventures, we are co-developing early stage infrastructure projects in fragile and conflict-affected states.

In all of our efforts to connect the unconnected, technology and declining costs are on our side. The unit cost of solar photovoltaics has decreased by two-thirds in five years. That makes solar energy much more competitive. And now, more and more countries are introducing renewable energy auctions that are helping drive down the cost of wind, solar and other renewable forms of energy. In the most recent round of bidding in South Africa’s renewable energy auctions, solar photovoltaics was priced as low as 6.5 cents per kilowatt hour which brings solar to grid parity. Meanwhile, the Lighting Africa program has connected 35 million people to solar power.

We’re also financing the largest private sector-led solar initiative in the Middle East and North Africa – a solar park in Jordan that will generate sustainable power in a region where demand for electricity is rising rapidly every year.[1]

Despite these advances, the developing world has only begun to take advantage of its vast renewable energy resources. Across Africa and Asia only 10 to 20 percent of hydropower potential has been harnessed, and solar and wind potential are just beginning to be tapped.
We can do more, and along with our MDB and private sector partners, we stand ready to support countries with their reform and investment agendas.

I had the great privilege of participating in a revolution in Africa that few people thought would be successful – making HIV treatment available to all people living with the virus. We proved that we could treat more than 10 million people for HIV in Africa. We must now prove that we can make energy available to the hundreds of millions who need it. Access to energy for all, especially in sub-Saharan Africa, is one of the most important social justice issues of our time. Countries cannot develop without energy. People cannot have equal opportunities without energy. We must work together to end energy poverty in our lifetime.

Thank you very much.

[1] http://wrld.bg/MrsNE