Good morning, distinguished guests.

Too often the discussion on climate change and energy is negative, framed solely in terms of challenge and sacrifice. This short-sighted perspective assumes that our future should be driven reactively by events, like plunging oil prices or public uncertainty over nuclear power. It assumes that we should be responding to the energy system as it evolves, rather than proactively and holistically managing the transition of the energy system with innovative policy.

**Changing this perspective requires leadership. It requires vision.**

For while climate change does present significant challenges, and finding the intersection between climate mitigation, energy access, and socio-economic development is a tricky business, the opportunities presented by these challenges are enormous.

In this context, Europe is in a position to not only change this “doom and gloom” discussion on climate change, but also to become a world leader in showing how the development of adaptation and mitigation measures can be an economic opportunity. Indeed, Europe can be a game changer.

**For there is no solution to climate change without radically changing the way we produce, distribute and consume energy.**

And here Europe is making progress. The share of renewables in gross final energy consumption in the EU has doubled over the past ten years. This is in no small part due to forward-thinking policies, ambitious climate targets, and industry willing to take risks. Along with reduced demand and increased energy efficiency – remember the best energy is energy saved – renewables have contributed to a decrease in CO₂ emissions in power generation by 13% since 1990.

But the energy transition is not simply about decarbonising the energy supply and reducing emissions. It’s about job creation, improvements in public health, and strengthened economies.

**Let us take for example, the role of cities.**

By 2050, as many as 6 billion people will live in cities, representing the majority of the world’s final energy consumption. This has important implications for long-term economic development, energy security and urban health. And do not think this is simply a matter for emerging economies – European cities will also change.
But how our cities will look in 35 years depends on the choices we make today – choices that should be creative, innovative and daring. Consider new models for city planning and organisation. Promote new and innovative ideas for transportation, housing, and land development.

What this requires is not simply new technology, although that is important. It requires leadership. It requires a proactive approach to our economies and energy systems, an approach that looks to tomorrow and what could be, rather than desperately trying to hold on to what was.

**And investment for the future will reward those with vision.**

Here there is a role for European academia and businesses to lead research and technology development. For too long we have underestimated how innovation and new technologies can enable radical transformation of our energy systems.

But this will require investment.

The difference between business as usual and limiting average global temperature rise to 2 degrees Celsius implies additional investment of more than USD 40 trillion in our energy system by 2050. That may sound like a great deal, but it is only a small portion of global GDP, and such investment would be more than offset by over USD 115 trillion in fuel savings.

In this regard the EU is right to make investment and innovation a priority. But the results are yet not convincing. To see true progress, Europe will need to leverage large-scale funding and take up risks. There should be support for those difficult projects that commercial banks will not finance.

**Ladies and gentlemen, climate change is a challenge, yes. But it is also an opportunity.**

What is vitally important is that we take this opportunity to develop policies that are not only good for our economies and societies, but also good for the climate. Finding this intersection is our collective challenge, but it can also be our collective reward.

Thank you.