

# Caio Koch-Weser World Bank

Speech for Buenos Aires UNFCCC COP-4 Conference

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## I. Introduction

1. Madame Chairperson, Distinguished Delegates, Ladies and

Gentlemen:

- On behalf of The World Bank's President Jim Wolfensohn, I am pleased to be able to join you today in sharing our concerns about the critical impact of climate change.
- The IPCC has made it clear that climate change spells uncertainty and perhaps catastrophe for people in many parts of the world, and especially those in developing countries.
- For our part, at the World Bank we are particularly concerned about how we can assist our borrowing countries with the provision of energy and other services necessary for sustainable development and to reduce their vulnerability to climate change.
- The international community has already made a considerable contribution to addressing the concerns through negotiation of this

Convention and its Kyoto Protocol. This meeting offers an important occasion to carry this process forward.

2. I would like to make three main points in my remarks today:

- First, I will explain why the World Bank believes climate change matters from a development perspective.
- Second, I want to outline the Bank's role in promoting sustainable development.
- Third, I want to mention some key World Bank initiatives in the field of climate change.

## **II. Development Perspectives on Climate Change**

3. It should come as no surprise that The World Bank is deeply concerned about climate change – it is an important issue that directly relates to the Bank's poverty alleviation mission. Why is this so ?

- Climate Change will have a disproportionately severe impact on the developing world.

- And it will be the poorest people in those countries who will bear the brunt of these adverse effects - in agriculture, health and water resources.

4. Let me be clear :

- From our perspective it is the industrial countries that must take the lead in dealing with the challenge of climate change.
- Developing countries must play their part too, but they should not be asked to sacrifice their hopes for a better, more prosperous future.
- At the same time developing countries need help in reducing their vulnerability to the adverse effects of climate change .

### **III. The Role of the World Bank**

5. This brings me to my second point: the role of the World Bank in promoting sustainable development.

- We strongly believe that our goal of poverty alleviation can be achieved only when we take into account local, regional and global environmental concerns.
- We are expanding our efforts to ensure that sustainable development is central to our work in the fields of energy,

infrastructure, agriculture, urban development and natural resource management. For example, we have recently completed an environmental strategy for the energy sector and we are currently developing a new forestry strategy. Both of these take into account climate change considerations.

- We have in place a set of internal policies and procedures to ensure that environmental and social concerns are reflected in all our investment lending.
- We also aim to ensure that environmental concerns are an integral part of every country assistance strategy.

#### **IV. The World Bank and Climate Change**

6. Third, I would like to cover some key initiatives in the field of Climate Change.

- First and foremost, I should like to emphasize our role in the Global Environment Facility. As an Implementing Agency we share this role with UNDP and UNEP. The GEF will continue to play a critical role and we are delighted that earlier this year the

negotiations were successfully completed for its Second Replenishment of \$ 2.75 billion.

- to date the Bank through the GEF has funded 43 Climate Change projects involving a total of \$542 million in 40 countries. For every dollar in GEF money we have leveraged four dollars for climate change projects.

7. Now I want to turn to the Bank's initiatives specifically related to the Convention and the Kyoto Protocol:

- First, in partnership with the Swiss Government, we have been working with more than twelve countries to help them develop national strategies to identify and respond to opportunities envisaged by the Protocol.
- Second, the Bank has piloted AIJ activities in a number of countries. Together with other financiers, we have developed a number of individual AIJ projects and are currently reviewing our experience with this program.

- Third, an alternative approach, which we are also currently exploring is to develop a fund mechanism with resources pooled from the private and public sectors. Such a fund would provide new and additional financial resources, an equitable sharing of financial benefits and a platform for technology transfer.
- This is the model for the Prototype Carbon Fund.

## VI. CONCLUSIONS

11. In closing, Madam Chairman, I want to congratulate you for your stewardship of the negotiations over the past ten days.

- The World Bank stands ready to help countries to reduce their vulnerability to climate change, prepare for the development of longer term strategies, and to build on the hard work of the Kyoto negotiations. Progress in the current negotiations is an essential precondition.
- The World Bank remains firmly committed to assisting our member countries to take advantage of the Convention and Kyoto Protocol as a means of alleviating poverty, combating climate change and moving along a path towards sustainable development.
- We all understand the magnitude of the stakes. We owe it to each other – and to future generations – to move this process forward. The World Bank certainly stands ready, with our partners, to play its full part in meeting this challenge.

Thank you.