



**EIGHTH CONFERENCE OF PARTIES  
TO THE UN FRAMEWORK CONVENTION ON CLIMATE  
CHANGE**

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Mr. President, Executive Secretary of the Convention, honorable ministers, distinguished delegates, ladies and gentlemen:

On behalf of the World Bank Group and our President, Mr. James Wolfensohn, I thank you for this opportunity to report on progress since COP-7, and to reflect on the way forward in integrating climate-change concerns in Bank operations and activities. We warmly welcome Joke Waller-Hunter as the Executive Secretary of the Convention, and look forward to work closely with her. I also thank the Government of India for their wonderful arrangements and hospitality.

**Introduction**

Last month in Johannesburg, world leaders shared aspirations for a more equitable, sustainable and prosperous future, and a recognition that economic development, poverty reduction and the quality of the environment are inextricably linked. We in the World Bank welcome the Summit's commitment to poverty eradication through sustainable development and its emphasis on implementation - including with regard to obligations under this Convention.

**Progress since COP-7**

Work in the World Bank has focused in three broad areas.

1. Our energy portfolio. We have continued to strive for a balance between meeting the growing energy needs in the developing world with conventional and affordable energy, and support for markets, investments and policies to promote clean energy alternatives. Nearly \$10 billion of Bank lending during the 1990's has directly lowered GHG emissions, through investments in hydro, energy efficiency, renewable energy, and transmission and distribution improvements. Conventional energy investments also resulted in lower GHG emissions than would have occurred without Bank involvement. As we and our clients learn from experience, and with the use of GEF resources for barrier removal, our investments in renewable energy and energy efficiency have grown. For example, during the last two years, these have accounted for \$1.6 billion, out of our total energy lending of \$ 2.5 billion.

2. Support for carbon finance. Through the Prototype Carbon Fund, a public-private partnership to build the carbon-finance market, we have advanced project delivery for carbon emission reductions and learning-by-doing knowledge of the Kyoto Protocol. Since COP-7 we have built on the experience of the PCF, and worked with the Government of the Netherlands to place a part of their carbon-finance resources in CDM projects through IFC and the World Bank. We have moved ahead to support financial intermediaries in developing countries to operate in this new market. I am pleased to announce that last week we signed an agreement with the Infrastructure Development Finance Company, an Indian financial institution, to buy carbon emission reductions of up to \$10 million generated as a result of their investments in CDM eligible projects.

In Johannesburg, we launched a \$100 million Community Development Carbon Fund to deliver the combined benefits of carbon finance and development at a community level. Through this fund, we aim to make carbon finance more accessible to small projects in less developed countries, and in particular to poorer rural communities, currently at a disadvantage in the competition for carbon finance. Thus, we welcome the deliberations at COP-8 to simplify procedures for small-scale projects.

Following the Marrakech Accord, we have taken stock of our capacity-building programs, such as the National Strategies Studies and PCF-plus, designed to help developing countries and economies in transition to prepare for the Kyoto Protocol. On this basis, we have launched CF-Assist (Carbon Finance-Assist), specifically aimed to support host countries to identify, process and carry out carbon-finance deals.

3. Work on adaptation. While we see mitigation and adaptation as interlinked at a global level, priorities and actions to tackle them differ at regional, country or local levels. We need to lift up attention to adaptation where it is needed to respond to risks to development and poverty impacts. We are integrating adaptation concerns in selected country assistance strategies and in our work on land management in central Asia, on fisheries and agriculture in the Andean countries; and, with GEF support, on agriculture in Africa.

Mr. President, we are encouraged by the seriousness of discussions on adaptation here in New Delhi, and by your leadership on this issue. To move the adaptation agenda ahead, we are preparing, together with nine other bilateral and multilateral agencies, an approach paper addressing the integration of climate change adaptation into development. A first draft of this approach paper, entitled "Poverty and Climate Change: Reducing the Vulnerability of the Poor," was presented for consultation here at COP-8 last week.

In all these three areas we and our partners in developing countries and economies in transition have benefited substantially from donor support. I would like to acknowledge this donor contribution and look forward to continuing these constructive partnerships.

Recognizing that action needs to start at home, we also have piloted a voluntary carbon offset program for our staff, which will be fully operational by the end of the year.

### **The Way Forward**

As we look ahead, our work in these three areas will accelerate. Let me illustrate this with the following points.

1. As an Implementing Agency of the Global Environment Facility, we will build upon the successful replenishment of the GEF to further link climate change mitigation with sustainable development. Our work will focus on addressing climate change in the context of local development, whether through improving local air quality, or providing energy access for households, communities and businesses.
2. Within the guidance of this convention, and to support inter-linkages with the biodiversity and desertification conventions, we will continue to search for innovative solutions to link carbon sequestration with ecosystems management and local community development.
3. We will strive to address the increased vulnerability of poor people and poor countries to the adverse impacts of climate change. We aim to mainstream the impacts of current climate variability in our sector and country strategies and operations. This, we believe, is the first step in enhancing resilience to future climate change.

Because of the development significance of this convention, we are keenly interested in your deliberations and stand ready to integrate agreements reached here into our investments.

Thank you.

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