

Remarks by World Bank Group President Jim Yong Kim at the WBG-IMF Annual Meetings 2016 Climate Ministerial

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Ministers, Governors, thank you all for joining this Climate Ministerial meeting today and for your continuing leadership on climate action.

For those who may be new to these meetings, let me provide some history. They began after the 2007 Bali Climate COP at the suggestion of Indonesia's then Finance Minister Sri Mulyani Indrawati as a way to bring Finance and Planning Ministers into the climate conversation.

I'd like to acknowledge Sri Mulyani for her foresight in establishing these meetings, her leadership as Managing Director and Chief Operating Officer of the Bank, and warmly welcome her back to this table as Indonesia's Finance Minister. Sri Mulyani, we look forward to your continuing role as champion for climate change action.

We come together today for the first time since the Paris Agreement was adopted last December. Now, thanks to its rapid ratification by more than 55 nations – many of them represented in this room today – the Agreement will enter into force in early November. This is a victory for multilateral action and a powerful signal from all corners of the world that there can be no turning back.

Let me congratulate the Government of France as Chair of COP21 for everything it did to bring the parties to unanimous and historic agreement - and to all countries, small and large, for driving for such unprecedented global commitment. The Government of Morocco now takes on the mantle as Chair

of COP22 and we wish you all the best over the next few weeks heading into the Summit in Marrakech.

Ministers and colleagues, now it's our collective responsibility to see the Paris Agreement through. We cannot afford to lose the momentum. With each passing day, the climate challenge grows. The longest streak of record-warm months has now reached 16 – such heat has never persisted on the planet for so long.

The good news is we're already seeing countries taking action on their nationally determined contributions or NDCs.

For example, Zambia is convening all of its provinces to prioritize NDC action. Mexico is prioritizing reform of its energy sector and is working towards implementing a carbon tax. And Cote d'Ivoire has established a new national climate fund and national development plan for renewable energy and energy efficiency.

But, as you know, even when all the actions of all the NDCs are combined, they don't get us to the goal of keeping warming at or below 2 degrees.

The reality is stark. We have a planet that is at serious risk, but our current response is not yet equal to the task.

Here is what we need to do. There are **Five Big Focus Areas**.

Ministers, count on us to help you.

First, we need to bake climate ambition into the development plans of every country.

Over the next 15 years, planned infrastructure around the world will amount to over \$90 trillion, more than what has been invested to date. And most of this will be in developing countries. Making sure these investments are low-carbon and climate-resilient will be key to our future.

Here, Ministries of Finance and Planning play a key role, especially in getting the policies in place that facilitate climate action and investment - this includes carbon pricing, and ending fossil fuel subsidies; and in putting budget resources behind these policies – for example to fund NDCs, and to screen public investments for climate impact.

As co-convenor of the Carbon Pricing Leadership Coalition, we are bringing together government and business leaders to show how carbon pricing can work for economies.

The second focus area is a combination of ramping up energy efficiency in appliances while phasing down hydrofluorocarbons or HFCs:

Phasing down HFCs could *prevent close to a half degree of global warming* by the end of the century. And because HFCs are used in energy-sapping appliances like air-conditioners, there is the opportunity with new technologies to double the climate benefits from energy efficiency at the same time.

This is urgent because demand for HFCs is growing massively in line with economic development. We need to de-couple HFC growth from the rapid expansion of cooling equipment.

In Kigali this week, countries are coming together to reach agreement on an amendment to the Montreal Protocol which will see a global phase down of HFCs. I urge all countries to support this ambitious amendment.

You can rest assured that the World Bank Group will support you with financing and expertise - as we have since the early 90s with the phase-out of ozone-damaging CFCs.

We have developed a five-point support plan that includes ramping up our lending for energy efficiency to accompany the HFC phase-down. As part of our Climate Change Action Plan, we expect to do \$1 billion in lending for energy efficiency in urban areas – much of which overlaps with this HFC agenda. We are already discussing support with a number of countries.

A third major focus area – and perhaps the most urgent - is to slow down the growth of coal fired power plants.

If all the new coal plants on the books earlier this year were constructed - especially in Asia - *it would be impossible to stay below two degrees.*

Many countries want to move in the right direction. We can and should all help to find renewable energy and energy efficiency solutions that allow them to phase out of coal. Again, key to this is creating the right policy environment, building the business environment, implementing good practices like solar auctions, and de-risking investments in clean energy technology. Private

sector interest in renewables is picking up but accelerating that interest will need a big increase in concessional finance that is:

- Well targeted and “follows the carbon”;
- Leveraged and blended to crowd in the private sector; and
- Available quickly, at scale and easily deployed.

As agreed in Paris, we have to generate and deploy this funding.

The fourth big focus area is greening the finance sector.

If we're going to mobilize private funding for climate, *the financial system needs to be fit for purpose to assess climate risks and opportunities* – in other words we need a greener finance sector. And in this area there's been good progress in the last 15 months – there was a UNEP-led inquiry into the “Financial System We Need”; under China's leadership the G20 convened a Green Finance Study Group; the Financial Stability Board and Bloomberg led a Task Force on Climate Related Financial Disclosures; and the Sustainable Banking Network continued to expand.

The challenge now is accelerating implementation. This is where Ministries of Finance and Planning along with central banks and the private sector have pivotal roles to play. The Bank Group is committing to partner with the United Nations Environment Program (under the leadership of Erik Solheim) and other partners on a concrete framework for action to be finalized by the Spring Meetings. We look to your leadership in supporting these efforts.

The fifth area is in adaptation and resilience.

In fact, without good, climate-informed development, climate change could force more than 100 million people into extreme poverty by 2030. For many parts of Africa, South Asia and the Pacific Islands, unless we build in resilience, all the poverty reduction gains we've made together will be lost.

As important as it is to accelerate action to reduce carbon emissions, we also need to adapt and build resilience of our communities, our economies, our ecosystems, and our hard infrastructure.

There is no magic single action that will do this. But we have a good idea of what is needed - like more efficient water supply systems, climate-smart

agriculture, early warning systems, disaster risk reduction, better social protection.

Ministers, colleagues, we are already working with you in many of these five areas. You can count on our support to accelerate this further. Let's work together to ramp up our collective ambition.

I will now hand the floor to Laura Tuck, World Bank Vice President for Sustainable Development, who will moderate the discussion.

Thank you.