Remarks by World Bank Group President David Malpass at the Leaders Summit on Climate

April 22, 2021

Special Presidential Envoy for Climate John Kerry: My next question is for David Malpass, President of the World Bank Group. The World Bank Group is the largest provider of multilateral funding and finance for developing countries. And your 2021-2025 Climate Change Action Plan is going to be published in the coming weeks. How will the World Bank Group contribute to raising ambition on climate through this new plan?

World Bank Group President David Malpass: Thank you, Secretary Kerry and everyone. It's a pleasure to be with you. We published a summary of our Climate Change Action Plan today. The core of the Plan is to spend more -- in fact, record amounts -- in ways that get the most results. That means helping the biggest emitters flatten the greenhouse gas emissions curve and accelerate the downtrend. And it also means record spending on adaptation -- that's at least 50% of our climate finance -- to help countries prepare for and adapt to climate change.

As background, the World Bank Group has reached its highest-ever levels of climate finance in the past two years. Our plan commits to big increases in spending, focused on results, plus active private sector mobilization through IFC and MIGA, our private sector focused entities. And importantly we're aligning our financing flows with the Paris Agreement.

So the key to make this work is to integrate climate and development. We need to identify the biggest mitigation and adaptation opportunities, and use those to drive our climate financing. This is a path that I hope others will follow. To spend more, but do it in ways that will achieve the most useful results.

For example: in a given country, will it be more effective to invest in green agriculture, or low carbon energy, or drainage systems that can save lives in a hurricane? We're adding diagnostics that will help with these questions.

We're working with countries to reduce their subsidies on fossil fuels, recognizing that they are expensive and distortive. Some countries will want to implement taxes on carbon and might reduce taxes elsewhere.

Nature-based solutions and renewable energy sources each have a key role. An important element of our plan is to support the transition from coal to affordable and sustainable energy. And our plan also includes diagnostics to help achieve the best results from adaptation: what are the best opportunities to save lives and livelihoods? And this type of prioritization and planning is critical, I think, to achieve the most impact and results from climate finance.
We're actively engaged with developing countries on their NDCs and long term strategies, and we'll be introducing new in depth Country Climate and Development Reports.

All in all: our plan is ambitious, we're integrating climate and development to engage the full resources of the World Bank Group, and we're working on – and, Secretary Kerry, I'm very glad you mentioned the importance of concessional resources – we're working on a strong IDA20 replenishment for the poorest countries. Climate action will be a core theme of that.

Also, middle income countries will need additional support. Green bonds, blue bonds, financial innovation, they all play a key role. The World Bank Group provides an effective platform for this type of leveraging of donor resources. We can combine financing with deep country based climate and development know how. And that all reduces the fragmentation that is occurring in climate and development.

I have other comments I would love to make. But, above all, we recognize the severity and the inequality of the current environment. People are facing challenges everywhere. There are tough issues that I haven't been able to name. The challenges are different country by country, and to be valid, we have to take into account the full lifecycle costs and benefits of various climate policy choices.

What we know is that poverty, inequality and climate change are defining challenges of our time and increasingly they go hand in hand.

For the World Bank Group, our goal – and my goal – is to provide support, and take prompt action, in ways that create the most positive impact toward green, resilient, and inclusive development. Thank you.