DEVELOPMENT COMMITTEE
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on the
Transfer of Real Resources to Developing Countries)

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Statement by
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92nd Meeting of the Development Committee

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Through the successful conference on the future of financing for development in Addis Ababa in July 2015 and the United Nations summit in New York in September, where we adopted the 2030 Agenda for Sustainable Development, we established a framework for a new political agenda for globally sustainable development, and particularly for the priorities and the financing of international development policy over the coming decades. The 2030 Agenda shows that development on our planet will only be viable if it gives equal attention to social, economic and ecological principles, bringing them together in a single agenda. Economic progress, social equity and environmental sustainability do not contradict each other. In fact, they are interdependent. Only in a common system can they form a basis for a safe future.

Economic and social progress will be short-lived if we fail to accept our responsibility for what is probably the most pressing issue for our planet in this century: mitigating and containing climate change. Global warming does not only put all current and future development achievements in jeopardy. It also poses a serious threat to humankind as a whole. That is why we want to achieve a landmark outcome at the climate summit in Paris at the end of this year. In Paris, we all need to jointly commit ourselves to take energetic action, based on the requisite financial resources, to tackle the risks of climate change, so as to limit global warming to a maximum of two degrees. We are counting, in particular, on the World Bank Group, which can significantly increase the number of climate-friendly projects through ambitious targets and by using its resources systematically.

The Sustainable Development Goals of the 2030 Agenda, the challenges of future financing for development, and the effort to take action against climate change all require the international community – including the international financial institutions – to find new answers, both in thematic terms and in terms of instruments. We therefore expect the World Bank Group to act as a thematic and financial leader in the international development architecture, to define its contributions to the implementation of the 2030 Agenda and to global climate action in more ambitious terms, and to boost these contributions financially by making use of new options, for instance leveraging IDA capital. This is also the context for our debate about reforming voting rights and defining the World Bank's future capital requirements. Our goal is to strengthen the World Bank for the benefit of all shareholders. This also means that all partners need to enjoy fair participation and a balanced voice in this "cooperative," the World Bank.

With its goals for the eradication of extreme poverty by 2030 and the promotion of shared prosperity on an environmentally, socially and fiscally sustainable basis, the World Bank Group is in harmony with the new 2030 Agenda. However, in future the Group should align its activities even more closely with all the dimensions of sustainability as defined in the new 2030 Agenda. After all, the goals are linked with each other – we must not achieve one goal at the expense of another. We do not want economic growth that
exacerbates inequality. What we want is socially compatible growth that takes account of developmental and environmental concerns. The SDGs in the 2030 Agenda take these aspects into account.

So it is important for the World Bank Group to present a climate action plan soon that contains ambitious quantified goals and leads to both an increase in the Group's contribution to international climate finance and an increase in the share of climate-related projects in its portfolio. In that context, is it also important that the World Bank Group make a clear commitment to boosting renewable energy and energy efficiency and reducing its funding for fossil energy generation and exploration. We also count on the World Bank to make proposals on carbon pricing, on innovative financing mechanisms and on mobilizing private investment in climate action. Furthermore, the World Bank Group should systematically integrate environmental and climate aspects (including resilience) in its country strategies, programs and progress indicators. Its contributions to decarbonized economies will be a major benchmark against which the World Bank Group's role in building a sustainable future for our entire world will be measured. As a global development bank, the World Bank Group has a special responsibility when it comes to the provision and protection of global public goods. The World Bank Group can count on Germany's support in that context. Germany will be happy to share its relevant expertise, both on thematic aspects and with regard to instruments. Lack of hope for a better future, poverty and hunger are major contributors to political and religious extremism and fanaticism. They are at the root of political crises, rebellions and often even armed conflict. If we manage to give people better opportunities and prospects of a new, viable future in their home countries, we can help reduce factors that push people to leave their countries. The refugee drama that we are currently witnessing in the Mediterranean, in the Middle East and in Africa is a humanitarian disaster of monumental proportions. People are being persecuted and uprooted. The future of entire societies is being put at stake. At the same time, the refugee flows are a huge challenge for the rich countries of Europe and for the entire international community. We all need to live up to our responsibility and jointly take determined action to effectively address the root causes of displacement. In addition to providing emergency relief, we need to support structural change to help achieve stability and development in fragile regions, strengthen government institutions, and fight rampant corruption. Climate change, natural disasters, pandemics and economic crises are playing an increasing role as push factors that drive people away from their home countries. We therefore need to strengthen the ability of the international community to respond to crises and conflicts, and we need to strengthen crisis prevention. We will only be able to succeed in this if we take joint action and if we strengthen global institutions. This is an area where the World Bank Group – with its global reach, its weight and its ability to develop innovative financing instruments such as the State and Peace-Building Fund, climate risk insurance and the Pandemic Emergency Facility – can, and must, play a strong role.

Rural development and food security are of particular importance – not just with a view to eradicating poverty and hunger but also in terms of resilience, environmental sustainability and climate change mitigation and adaptation. It must be our common goal to enhance agricultural productivity, make agricultural production more resilient and improve nutrition. And we need determined efforts to bring about a marked reduction in the ecological footprint of the agricultural sector. So I am pleased that Germany and the World Bank are planning to work together closely on promoting climate-smart agriculture worldwide and also on promoting responsible land use and secure tenure.

All people, including in particular the poorer segments of the population, need to benefit more from economic growth and future prosperity. This is crucial to sustainable development and to the eradication of poverty and want. We will only manage to achieve that if we all agree on clear rules and social standards and if we evolve free trade into fair trade. The World Bank can make a big difference here and act as a model if it completes the safeguards review quickly and with a good outcome that is in keeping with the goals of the 2030 Agenda. Germany considers this a particularly important issue. We will only be able to achieve our goals if we adhere to good standards that include human rights, land rights and core
labor standards and that are implemented consistently. In that regard, I count on the expertise and the commitment of the World Bank Group.

The World Bank Group has a key role to play both with regard to the implementation of the 2030 Agenda for Sustainable Development and with regard to climate action. The present Annual Meeting and our discussions in the Development Committee therefore need to lend strong impetus to the realization of the 2030 Agenda and to a successful outcome of the climate conference in Paris in December this year. The successful implementation of the 2030 Agenda requires comprehensive adjustments in all countries. Innovative and transformative approaches for sustainable development need to be given support. The World Bank can lend strong impetus to this thanks to its great potential. Germany is willing to actively live up to its responsibility for making the international development agenda a success. We will work with strong commitment and high levels of funding to translate the 2030 Agenda into action. This also includes our plan to double Germany's official climate finance by 2020 with a view to contributing our fair share to the increase of climate finance to an annual 100 billion dollars from 2020.

But when it comes to working on the 2030 Agenda and making the climate conference a success, I also count on the World Bank Group and its financial potential and innovative capacity and its willingness to dedicate its full wealth of knowledge and committed staff to the international effort. I trust in the excellent cooperation we have been enjoying with the institution, and in the close cooperation between the German government and World Bank President Kim.