

Speech by World Bank Group President Jim Yong Kim at the Green Climate Fund Secretariat Launch

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**World Bank Group President Jim Yong Kim
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Transcript

This is an extremely important day, and the Green Climate Fund is a source of enormous optimism and hope, not only for us at the World Bank Group, but especially for people living in developing countries. Many of the ambassadors here are representing those developing countries, and many people have been asking me, "Why is the World Bank so concerned with climate change?" First, I want everyone to know, as the first World Bank President who has any training in science, we have been looking carefully at the science around climate change. And the consensus that man-made climate change is real and is having a significant impact - an increasing impact - is overwhelming.

You know, when the panel announced that 95 percent of climate scientists agree that climate change is real and a threat, as a scientist, I heard about this and I thought, "My goodness, there are very few things in my field of medicine where 95 percent of physicians agree." This is overwhelming and powerful and we simply have to face the science. If you have doubts about climate change, you are not doubting climate change. You are fundamentally putting into doubt science itself.

Second, we know that climate change in our lifetime threatens to roll back so many of the gains that we have made over the years. We have all invested enormously in the economic development that we see - especially in the developing countries and the middle income countries - those will be rolled back. And we are convinced that there is no way that we will

be able to end poverty in our lifetime - end poverty by 2030, which is our goal - without tackling climate change in the most serious manner.

There are things that we can do ...(break in recording)... to build clean liveable cities. We are working with the Chinese Government right now to put out a report on how to build cities that are using renewable energies and that are organized in a way that would dramatically decrease the carbon footprint. Cities are responsible for two thirds of the greenhouse gas emissions. We know we can build smarter and cleaner cities. We also know that every dollar invested in building the creditworthiness of developing country cities will mobilize \$100 in private finance for low carbon and climate-resilient infrastructure. Also we know that we need to feed 9 billion people by 2050 and the only way that we can do that is to make agriculture more resilient, more productive, in the changing landscapes that we will see due to climate change. Making sure that agriculture is good for people and the environment is one of the most important and pressing tasks.

One of the things we have to face is that the costs of tackling climate change are simply staggering. Our estimation at the World Bank Group is that climate change will increase the cost of development in the poorest countries by 25 to 30 percent. What if the Republic of Korea had only started developing now and was facing a 25 to 30 percent premium in addition on the cost of developing the economy? We know that is going to be the cost - and we simply must step up to the challenge and find funding, public finance, precious official development assistance dollars that are available. Every single dollar of IDA has to be used in order to leverage much higher amounts of private finance. We know that the path toward fighting climate change will depend upon the private sector seeing investment in climate smart agriculture, investments in cleaner cities, investments in sustainable and renewable sources of energy, as a smart business venture, we've got to get to that point.

We have been working, of course, for years with the Climate Investment Funds that were established in 2008 - and we've learned some very important lessons that of course we will share fully with the Green Climate Fund. And we think that the Green Climate Fund can take some of these insights and practices to an even higher level.

First of all we learned that investing in readiness of countries to absorb climate finance is critical. We cannot assume that all the countries are ready at this point to absorb the kind of finance we hope to get. We also learned that we have to focus on investing in transformational transport and energy projects. Hundreds of small pilot projects will not accomplish our purpose.

We also believe now that we have got to build markets for renewable energy and advanced

energy efficiency. And again, both the technology and the political will to do that, I think, is there. The prize, of course, is that we can leverage institutional investors, sovereign wealth funds, pension funds and climate capital markets and others.

My only feeling is that as the severity of these extreme weather events increases and we begin to understand in a much more visible way, the impacts of climate change, the market will move in the direction of supporting our efforts around renewable energies, cleaner cities, and climate smart agriculture.

At the World Bank, we are stepping up our mitigation and adaptation and disaster risk management work very, very aggressively. We need to get everybody on board. And of course, one of the most important things we have to focus on is getting prices right. We must find a way to set a stable price on carbon.

Now we are of course extremely hopeful that in 2015 we can have a binding global agreement. But in the meantime as we prepare for 2015, we have got to find ways of moving forward, whether it be carbon taxes or carbon markets. Whatever form it actually takes, a stable price on carbon that reflects the actual cost of putting carbon in the air has to be found.

I am very sorry that Christine Lagarde could not be here. We have been working together on this issue and I don't think you can underestimate the importance of the Managing Director of the IMF, getting up almost every day now, and saying, "We have to have a stable price on carbon and we have got to remove fossil fuel subsidies." These two are extremely issues and the fact that they are now on board and supporting these issues is very important for the world.

You know, we are in the middle of raising funds for IDA, which is our fund for the poorest counties. We have pledged that for every single dollar of IDA, we are going to track the adaptation benefits and climate disaster risk benefits for all development spending, and also do upstream screening of development projects to ensure that they are disaster resilient and that they work for adaptation to the maximum ability.

You know, one of the things that President Park said that I think is so powerful and important, is that climate change is not a problem for the future. Yesterday I had the opportunity to visit middle school students in Seoul. There is a Climate Change Club at this middle school and they presented to me their own insights, and what they are trying to do to tackle climate change.

I have two sons, a 13 year old son and a 4 year old son, and as President of the World Bank Group, listening to the way my children already talk to me, my guess is that in 15 or 20 years, they will be saying "Dad, what the hell were you thinking? You were President of the World Bank and you didn't do enough to tackle climate change. You gave us this world, where Bangkok is underwater, where the coral reefs are gone, where heat spells that were 1 in 100 years, happen every summer. Where poverty has gotten worse and where all hope of development in some of the poorest hottest countries, has gone. Why didn't you do more, when you knew that this was going to happen?"

We have an historic opportunity with the Green Climate Fund to be able to look our children and our grandchildren in the eye, in 10, 15, 20 years, and say, "No, no, no, we knew what was happening and we took action, because we cared about you."

Thank you very much.