



The World Bank Group

Development and Climate Change: A Strategic Framework for the World Bank Group

Date: September 4, 2008

Consultation with: Washington D.C.-based U.S. Government Agencies, Think Tanks and Academia

Organized by: Center for Global Development

Location: SEIU, 1800 Massachusetts Avenue, Washington D.C.

Participants: see separate list

Agenda: see separate agenda

Session Summary

During the consultation, there were strong expressions: 1) acknowledging the delicate balance for the World Bank Group of advocating for an equitable global solution and contributing to the ongoing UNFCCC negotiations while not prejudging their outcome; 2) supporting the overall WBG Framework and the high quality of the document.

The following summary lists almost exclusively the constructive criticism voiced on the draft document. The full transcript should be referred to for World Bank Group responses and full discussion contents.

Discussion – Points Raised

(presentation by Michele de Nevers, Warren Evans, World Bank)

Commentator Professor Scott Barrett, Johns Hopkins University, SAIS

- New development investments must reflect climate change
- The World Bank Group (WBG) should act as a mediator between the rich and poor countries
- The failure to raise the financing necessary to tackle climate change is a failure of international cooperation
- A fundamental technology shift must take place that will transform the energy sector
- The WBG should consider establishing a "CGIAR for energy" to enhance knowledge sharing and innovation
- Climate change may exacerbate inequalities globally, due to differing capacities to adapt
- Strategies to address climate change will need to be modified at the local level



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- The WBG must be prepared for both success and failure in addressing climate change as it prepares to provide services to its clients for the future

Commentator Dennis Whittle, Founder, Global Giving

- The complexity of the climate change challenge begs a less complex approach
- The WBG should take a leadership role in development and climate change
- Becoming a leader requires overcoming the internal institutional challenge of incentivizing staff without overburdening them
- Approaches such as establishing a shadow price for carbon could achieve this
- Climate change is a global emergency that is not perceived as such in the daily lives of many
- Simple methods of knowledge sharing could accelerate implementation at the grass roots level

Commentator Christopher Flavin, President, World Watch

- The WBG must firmly rebut any affirmation that climate change is peripheral to development – it should be considered of an importance at a par with health and education
- The full draft document is too diplomatic. It would be more effective as a discussion paper that reflects both sides of the many issues on which there is discord
- The full draft paper should include a description of the current WBG portfolio's GHG emissions
- The Environment Department within the WBG should advocate strongly to monitor and publish carbon data for the portfolio
- The energy section should (pages 32 and 33 for example) have more focused plans for shifting energy markets in developing countries, including a set of goals and action plans based on specific technologies linked to major investments, including infrastructure

(presentation by Gary Stuggins, World Bank)

CGD

- Climate change is finally being acknowledged in U.S. politics, albeit in a rather back-door way, couched in terms of “energy security”

Dept. of Interior

- Development builds adaptive capacity. If this is not taken into account, costs of adaptation to climate change could be grossly overestimated. Adaptive capacities should be built into impact assessments.

Deutsche Bank

- The Clean Development Mechanism and other offset mechanisms are the best solution. The WBG should promote international offset programs.



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Nature Conservancy

- The majority of Climate Investment Funds resources are poised to be invested in the middle income countries. Is there scope for more resources to be allocated to the LDCs?
- In order to incentivize WBG staff, would it be useful to include climate change in the Quality Assurance Group and project portfolio performance reviews?

Millennium Challenge Corporation

- The document should mention possible use of the current Safeguard Policies of the World Bank Group, and Environmental Assessments, to address climate change in projects.

Six Questions from Nancy Birdsall

- 1) Could the WBG consider sponsoring a prize-like mechanism to promote renewables in developing countries and possibly make use of the Advanced Market Commitment model for vaccines?
- 2) Could the WBG announce a set of shadow prices for project analysis that would draw attention to the most costly as well as the most cost-effective options, thereby helping to extract good practice for scaling up?
- 3) Does the WBG adequately address climate change issues in its policy dialogue, such as repealing energy subsidies?
- 4) Could the WBG push for a carbon offset program that offers a double bonus for renewables, to promote alternatives to supercritical coal / fossil fuels?
- 5) Will the WBG address Intellectual Property Rights issues linked to technology development and deployment?
- 6) Can the WBG lobby the UNFCCC in a “benign” way, promoting carbon monitoring and compliance?

Developing Country Representative

- The WBG’s mandate is poverty reduction and climate change should not divert it from that mandate
- Development emerges from country-specific experiences: it is demand driven
- The WBG will not find a solution to climate change: it may advocate on behalf of the developing countries and catalyze certain behaviors, but it is a small player given the scope of the challenge
- The ongoing UNFCCC negotiations are the appropriate forum through which to identify an equitable global solution
- Climate change will not be solved without solving the development issue
- Historical emissions must be taken into account if developing countries are to accept carbon footprinting/accounting. There is a strong disincentive for developing countries to take on carbon footprinting/accounting when historically large, industrialized emitters are still not doing it.



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World Resources Institute

- How will the WBG measure the impact of its policies?
- Carbon footprinting should be considered by developing countries as a method of taking stock of option and additional costs that can provide them with value added in their own decision making process

U.S. Environmental Protection Agency

- The paper could elaborate more on three levels: 1) macro level and possibility of reaping “double dividends” from climate change policies; 2) micro level such as specific CCS-ready investments; 3) technology strategies.

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- Carbon accounting should be seen as a way to calculate the incremental climate change costs, sending a strong message of “put up or shut up” to donors – it is like advertising a price tag for the additional costs of development related to climate change

(presentation by Ian Noble, WB)

CGD

- Graphic on page two of the draft paper is problematic because it stops at a five degree temperature rise and does not incorporate the context of the probabilities of each scenario
- There is not enough sense of urgency

CGD

- Recently the WBG took a strong advocacy role during the DOHA trade talks to remove agricultural subsidies and level the playing field for trade in agricultural products. It should do the same for climate change with both developed and developing countries.

Office of Management and Budget (OMB)

- Due attention needs to be paid in the draft paper to the impacts of all investments on climate change, and accountability at the project level.
- Can the WBG commit to certain outcomes?

National Wildlife Federation

- Complimented the Bank and CGD for organizing such an open and inclusive consultation
- The WBG needs to step up and provide stronger leadership, a stronger voice
- What is the WBG’s next step?

(presentation by Philippe Ambrosi, WB)



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- Can the USA provide an update of its funding potential and timing for the Climate Investment Funds?

U.S. Dept. of Treasury

- U.S. Treasury is strengthening its staffing to address climate change
- (see transcript for more)

Comments Received via email after the event

Alan Strong, NOAA Coral Reef Watch, Senior Consultant

- The WBG should make certain that the coastal zones and their threatened ecosystems [corals, fish, etc.] are given more attention since it is these threatened ecosystems that are crucial to the livelihoods of many island/coastal nations throughout the tropics. Nothing is mentioned about Ocean Acidification and the potential decalcification looming for many of our reef systems as waters become increasingly acidic in the decades ahead.
- Also, some developed nations faced with INCREASED agricultural productivity potential in the years ahead from CC may have less incentive to collaborate.

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