STATEMENT

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In 2015, the international community succeeded in agreeing on a new, ambitious agenda – a pact on the world's future that will guide our development policies in the period up to 2030, a framework for financing development, and strategic decisions for effective climate policies. Now we have to combine our forces and jointly take the steps that are needed to reach our ambitious goals.

We must effectively tackle the global challenges we are facing – be it climate change, economic crises, hunger, natural and environmental disasters, or global refugee movements. These developments pose a threat to all of humankind and creation, and to our common future. They reduce the likelihood of achieving sustainable development and threaten to undo achievements of the past, especially on poverty reduction. This means that we have to review our current strategies and reposition ourselves in many fields of development policy. That goes both for bilateral development cooperation and for the strategies of multilateral institutions such as the World Bank Group.

In that context, I greatly welcome the fact that the World Bank Group – as part of its Forward Look exercise and in view of the decisions taken in 2015, that watershed year for development – has launched a debate with shareholders on its future strategic course. The new Sustainable Development Goals, the commitments of the Paris climate summit, and the ongoing refugee crisis require new answers and a clear focus from all players, including the World Bank Group. This also means that we have to examine, with an open mind, what the funding requirements are and how they can be met within the framework of a responsible lending policy. In that context, Germany supports the voice reform with the overall objective of achieving a more equitable balance of voting power.

In view of the challenges we are all facing together, I would like to encourage the World Bank Group to take a holistic view of the 2030 Agenda and the agreements of the Paris climate summit and to ensure synergistic implementation, and to further increase its efforts on the following points in particular, which are especially important.

1. The World Bank Group should proactively support its clients in implementing the 2030 Agenda. As the Group is the world's largest development institution with global operations, it is in a good position to play an important role in protecting and providing global public goods. This is a task of key importance, which has furthermore been laid down as a national and international commitment in the 2030 Agenda. The Addis Ababa agreement on financing for development expressly refers to the crucial role of the development banks for financing the 2030 Agenda. The World Bank Group should therefore mainstream the goals of the 2030 Agenda in its country programs, but it should also address these goals on a broader scale, as an overarching task.

2. The World Bank Group should take leadership on international climate policy, further increase its involvement in the implementation of the Paris agreement, and work closely with regional development
banks in this context. In particular, it is crucial for the Group to bring all its operations into line with the Paris climate goals and with the implementation of nationally determined contributions, to avoid measures that are harmful for the climate, to foster the transition to a carbon-neutral economy, and to tap synergies between development and climate goals. As resources are scarce, the focus should be on public investment and on strategies to mobilize domestic and private resources.

The World Bank Group should give particular emphasis to making sure that there is a close link between poverty reduction and climate action, boosting renewable energy and energy efficiency, and supporting climate-smart agriculture. It is also important to make headway on climate change adaptation, enhanced resilience, and the mobilization of private investment in low-emission, climate-resilient development.

We thus welcome the World Bank's commitment to increase its climate finance in absolute terms and to significantly increase the share of climate-relevant projects in its portfolio as well as its efforts for the requisite mobilization of private investment. The Climate Change Action Plan which was presented recently is a first important step along that road.

3. Making globalization fair must be a key goal of our joint efforts, especially by supporting sustainable livelihoods, living wages and decent employment; making supply chains sustainable; and ensuring compliance with minimum social and environmental standards. The growing inequality in many countries is a cause for concern. It may undermine social and political stability and threaten economic growth. Making sure that poor population groups will benefit more from economic growth and future prosperity is an express goal of the World Bank Group and is crucial for sustainable development and for the eradication of poverty and want. This will translate into greater equality of opportunity and more options for all.

If we want to reduce inequality and foster justice, we also have to commit ourselves to clear rules and social standards and make free trade fair. The World Bank can make a big difference here and act as a model if it completes the safeguards review with an ambitious outcome that is in keeping with the goals of the 2030 Agenda. Germany considers this an essential issue. We will only be able to achieve our goals if we adhere to good standards that take greater account of human rights, land rights and core labor standards and that are implemented consistently.

4. The current refugee crises, environmental and natural disasters and epidemics such as the recent outbreak of Ebola in West Africa have shown us time and again that we should not just address the causes of such crises but also have the right instruments ready to respond quickly and appropriately.

So I greatly welcome the fact that the World Bank Group wants to further increase its involvement in fragile regions and that it wants to give particular attention to displacement. We need to do everything we can to tackle the root causes of displacement. We have to give people – especially young people – long-term employment opportunities and prospects for the future. But we also have to assist host countries in providing appropriate services for refugees and creating job and education opportunities for them. Only then will we be able to give displaced people options for sustainable livelihoods – be it in their host country or after they have returned to their home country – while simultaneously preventing instability and development setbacks in host countries. But we also have to seize and foster the opportunities and potential of regular migration for human and social development – a goal which we have adopted in the 2030 Agenda.

The World Bank Group can do a lot to help make that happen. The new Middle East initiatives which the Group launched recently together with the United Nations and other development banks are a good example.
In addition, we need to jointly identify ways of significantly improving the ability of the World Bank Group to provide funding quickly in response to crisis situations. In an emergency, such a crisis response mechanism should be open to all countries, from the poorest countries to middle-income countries and emerging economies, regardless of whether the emergency was caused by armed conflict, a natural disaster, or climate change.

As a result of the increase in natural hazards and extreme weather events, related economic losses now amount to more than 300 billion US dollars a year. So in addition to effective crisis response, we also need to increase our prevention efforts through comprehensive disaster risk management programs. One dollar spent on prevention can save up to seven dollars in emergency aid and can save thousands of lives. We therefore welcome the World Bank's efforts to mainstream disaster risk management and resilience in its programs.

5. 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, if we eradicate hunger and give people prospects of a new, viable future in their home countries, we can help reduce factors that push people to leave their countries. We must not stand on the sidelines as people are being persecuted and uprooted and the future of entire societies is being put at stake. So we have to increase our efforts in support of structural change in fragile regions, strengthen government institutions, and fight rampant corruption. And yet it is clear that, in the long term, it will only be possible for people to live together peacefully and achieve sustainable development if there is goodwill-based cooperation between diverse social groups. This includes the world's religions. Religion has a strong influence on society, and that influence has not been taken sufficiently into consideration in international cooperation so far.

6. We are faced with tremendous challenges that require high levels of investment in our common future. Public funding alone will not be enough to meet these requirements. So it is particularly important that the World Bank Group – working closely with other multilateral development banks if possible – mobilize more private capital for development, especially for environmentally, socially and fiscally sustainable investment in infrastructure.

The World Bank Group, the world's largest provider of financing for development, has a special responsibility for the systematic implementation of the 2030 Agenda for Sustainable Development. It should shoulder that responsibility through ambitious goals, a focused vision and clear guidance. We continue to count on the World Bank Group, on its financial potential and innovative capacity and its willingness to dedicate its full wealth of knowledge and committed staff to the international effort. We look forward to continuing our excellent cooperation with the institution and working closely with World Bank President Jim Kim.