

**JOINT STATEMENT OF THE HEADS OF THE MULTILATERAL DEVELOPMENT BANKS (MDBs) AND
THE INTERNATIONAL MONETARY FUND (IMF) FOR THE COPENHAGEN CONFERENCE**

2 DECEMBER 2009

Message

We, the Heads of the MDBs and the IMF, appeal to the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) to agree in Copenhagen the foundations for an ambitious, comprehensive, and equitable global climate change regime that enables all countries to achieve sustainable development along climate-resilient and low greenhouse gas emission-intensive paths. We recognise the primacy of the UNFCCC, whose principles and process we have supported from the start. We endeavour, in accordance with our organizations' respective mandates, expertise, and resources, to further coordinate our financing and analyses of climate change actions and enable our client partners to maximise the effective use of new financial flows.

The Context

Climate change is a major threat to sustainable development in all regions of the world and, in particular, to the achievement of the Millennium Development Goals (MDGs). Scientific evidence reveals unequivocal proof of the human footprint on the global climate and the adverse impacts that will ensue.

With climate change already happening and with more severe impacts to follow, it is essential that all countries integrate consideration of risks associated with climate change into their planning functions and development strategies. There is an urgent need to support the poorest countries and communities that are most vulnerable and least able to adapt to climate change.

It is critical that developed countries continue to take the lead in the mitigation of climate change by adopting adequate quantitative emissions reduction targets beyond 2012, and support and enable nationally appropriate mitigation actions by developing countries with technology, financing, and capacity-building.

The collective development experience of the MDBs suggests that many opportunities exist in developing countries, in particular in middle-income countries, to reduce greenhouse gas emissions while advancing sustainable development, creating opportunities for further growth, and reducing the impact of, and vulnerability to, climate change.

Ultimately, stabilising atmospheric concentrations of greenhouse gases within safe levels would require adequate, predictable and sustainable financial flows to developing countries, as well as policies in all major economies conducive to the creation of a broadly similar carbon price signal around the world.

Common Objectives from Experience Gained

The MDBs collectively are ready, in collaboration with other International Financial Institutions, UN agencies and other development partners, to build upon their respective mandates, expertise, and resources to help countries and their public and private sectors respond to the challenge of climate change while achieving the MDGs. To this end, we endeavour to:

- Help developing countries, in particular the least developed countries, adapt to climate change and strengthen the climate resilience of their development processes;
- Help ensure that the world economy develops along a sustainable greenhouse gas emissions pathway;
- Promote sustainable development, respecting human rights, in all client countries, and help developing countries achieve the MDGs;
- Facilitate and enable access to finance for the development and transfer of climate-friendly technology and knowledge according to the needs and priorities of partner countries; and,
- Promote market based solutions and mobilize and leverage private sector finance in support of climate change objectives.

MDB Collaboration for Better Results

First, in order to facilitate efficient and effective public and private investment, the MDBs endeavour to further coordinate their financing of climate actions within a common framework in accordance with their respective mandates, expertise, and resources. Such a framework will benefit from lessons learnt from our cooperation past and present, including recently-established Climate Investment Funds executed by the MDBs. As part of this common framework, we will seek to provide and facilitate country-driven, comprehensive packages of technical assistance and financing which may include blends of loans, grants, equity, carbon finance, and guarantees as appropriate and available. We will also seek to leverage public funds with private financial flows so as to mobilize market-based financing for climate investments.

Second, the MDBs will work to scale up financing for adaptation, developing projects and programmes that contribute to greater climate resilience, supporting national adaptation strategies, strengthening related institutions, and providing technical assistance and insurance products.

Third, following the outcome of the UNFCCC negotiations, the MDBs are also ready to scale up their support of processes that generate positive incentives relating to reducing emissions from deforestation and forest degradation in developing countries. We recognize agriculture, the building sector, industry and municipal infrastructure as other important sectors where opportunities exist to reduce emissions with proper incentives, capacity-building and technical support.

Fourth, the MDBs already have projects and programmes in energy efficiency, renewable energy, and sustainable transportation systems, and will further support increasing public and private sector investment to scale-up such projects and programmes using the full array of climate finance instruments and other financing products.

Fifth, the MDBs endeavour to work together to facilitate the continuity of and to reinforce the carbon market and related mechanisms beyond 2012. Our efforts will be directed to support a wider participation of all client countries and their private sectors in such mechanisms thereby facilitating a more equitable geographical distribution of their benefits. We intend to make available financing instruments to scale-up emission reductions, notably through programmatic and other broad approaches, as well as to provide further help to manage risks related to regulatory uncertainties associated with a post-2012 climate regime. We further intend to support countries in building readiness to participate effectively in these mechanisms by building the capacity of domestic public institutions and the private sector, including for project determination and emission verification, and by facilitating the establishment of domestic regulatory frameworks.

Sixth, the MDBs will seek to continue coordinating and harmonizing their respective approaches, processes and practices in the field of climate change to ensure a high-quality service to our clients, and to coordinate as appropriate with others supporting developing countries efforts to cope with climate change. We will continue to enhance knowledge and shared learning of best practices, including vulnerability and climate risk assessments at the regional, country and project level, low-emissions growth studies and other analytical work and tools.

Finally, the MDBs will support these efforts through technical advice, knowledge, and policy-development work. The IMF will advise countries in creating and managing fiscal space for dealing with the challenges of climate change, and in addressing the fiscal and financial risks that it poses.

The Heads of the MDBs and the IMF stand ready to put the depth and breadth of their human and financial resources at the service of the UNFCCC Parties and their private sectors in confronting the challenges posed by climate change. Rising to these challenges is imperative to avoid dangerous climate change and the threat that it poses to the achievement of the MDGs. An equitable and ambitious outcome in Copenhagen offers the prospect of sustainable development in all regions and countries.



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