



MDB joint statement for Rio+20

June 19, 2012

Delivering on the promise of sustainable development: Our commitment to the Rio+20 agenda for inclusive green growth

We, the undersigned multilateral development banks (MDBs), commit our institutions' support for implementing the sustainable development for all agenda. We will do so as a core element of our role to provide critically needed financial and technical support to assist countries in their efforts to reduce poverty and grow their economies. Development finance to governments and the private sector provided by the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, and World Bank Group has been over USD 93 billion per year on average over the last 5 years. In line with the Paris Declaration on Aid Effectiveness, this assistance is designed to optimize synergism and impact by working together on regional and country programs with harmonized environmental and social safeguards.

More recently, the need to transition toward green growth has been recognized as key to sustainable development and prosperity. This means that countries are increasing attention to human, social, and natural capital, making better use of ecosystem goods and services, and building resilience in a changing world.

We are committed to supporting this transition to green growth — growth that is attained with a smaller environmental footprint, is inclusive, and achieves gains in opportunities and access to resources by all segments of the population to reduce income inequity. We recognize, however, that market, policy, institutional, and other failures associated with the depletion of natural resources threaten the long-term sustainability of growth and social welfare achieved by many developed and developing countries since the 1992 Earth Summit in Rio de Janeiro and reduce opportunities for future growth and development. A new “green economy” paradigm is evolving that requires a concerted global effort to innovate and substantially scale up current efforts. We recognize that MDBs and other development assistance will need to quickly evolve to optimize our support for achieving this transformation.

The 2012 United Nations Conference on Sustainable Development, Rio +20, provides a unique opportunity to launch a renewed strategy for sustainable development, aiming at inclusive green growth, to meet the challenges of the post-2015 era. We will work together to support global transformation in line with Rio+20 agreements. We believe that such a transformation is necessary and can be made in an equitable, efficient, and affordable way.

In accordance with our organization's respective mandates, expertise, and resources, our commitment to the Rio+20 agenda extends to these core green growth issues:

Sustainable Development Goals

We are encouraged by the proposals for sustainable development goals (SDGs) that build on and complement the MDGs, as part of the post-2015 development agenda. The SDGs, universal at the global level but differentiated at the country level, hold great promise in bringing balance to the three pillars of sustainable development. We stand ready to support our clients as they take part in an agreed process for developing the SDGs and tailoring them to regional and national circumstances.

Climate Change

We have sizeable portfolios in climate change mitigation. Our low-carbon development portfolios have grown over the last few years reaching in excess of USD 19 billion in 2011. The lack of an international agreement on the future of carbon markets, low carbon prices, and limited availability of new concessional sources of climate finance are inhibiting low-carbon investment. Nonetheless, we have been testing and developing a number of financial innovations to accelerate and scale-up investments.

We have an important role to play in supporting the private sector in taking action on climate change. By combining available financing with technical assistance, we have been able to dismantle barriers to investment in many countries, thereby enabling a sustained flow of private sector investment in renewables and energy efficiency.

Under the Climate Investment Funds (CIF), we are joining forces to channel USD 7.2 billion of multilateral climate finance to support 48 countries as they strive for advances in renewable energy, energy efficiency, clean transport, sustainable forest management, and overall climate resilience. Guided by a CIF framework that ensures country ownership, we have moved from design to active implementation of 44 regional and country investment plans, with 47 projects already underway.

We recognize the importance of improving climate resilience towards long-term adaptation. To this aim, each of us is working on a regional adaptation agenda, in particular mobilizing available international and bilateral funds, and fostering existing channels for the interchange of knowledge and lessons learned in this domain.

With the overall aim to better coordinate and improve support to countries in adapting to and mitigating climate change, the MDBs are developing common tools and metrics for internal reporting and monitoring and evaluation efforts. We are working toward agreement on a joint approach to mitigation finance tracking by Rio+20 and on a joint approach to adaptation finance tracking and a joint methodological framework for GHG accounting and reporting by the 2012 UN Climate Change Conference (COP18). Experience gained with climate-related metrics harmonized across MDBs will also support global efforts to improve monitoring of climate finance flows and their effectiveness.

Recognizing the impact of short-lived climate pollutants on near-term climate change, agricultural productivity, and human health, we also collectively commit to supporting the Climate and Clean Air Coalition to Reduce Short-lived Climate Pollutants. These pollutants account for over 30 percent of near-term global warming, as well as 2 million premature deaths a year.

Sustainable Energy for All

We applaud and support the Sustainable Energy for All initiative and will participate in targeted efforts to attract and channel public and private financial commitments to meet the three objectives: universal access to modern energy, doubling the rate of improvement of energy efficiency, and doubling the share of renewable energy by 2030.

Sustainable Cities

The importance of cities in powering economic growth, sustainable development, and prosperity continues to grow, but so too does the need for more accessible, efficient, and inclusive infrastructure to cope with massive urbanization predicted over the coming decades. Making the right investments now can lock in more environmentally sound, low-carbon and climate-resilient infrastructure that will be around for many decades to come. It is critical to continue supporting better land-use planning, clean energy supply, energy efficient buildings, public and non-motorized transport, improved water supply, waste management and sanitation, and measures to enhance climate resilience. We have greatly increased our efforts to promote more sustainable cities. In 2011, we committed collectively over USD 9.5 billion.

Sustainable Transport

Many countries require massive investments in transportation infrastructure and are increasingly giving priority to sustainable transport investing in, for example, better physical planning and logistics to avoid the need for unnecessary travel, shifting to energy efficient modes, and new technologies to improve the environmental efficiency of all modes of transport. Last year, the MDBs provided over USD 12 billion for sustainable transport. In support of these priorities, and building on our long history of supporting transport, we renew our commitment to be a leading provider of financial resources for this sector in the coming years, whereby these investments will help to develop more efficient, safe and sustainable transport systems in our member countries.

We will work with the international community, including 66 agencies that form the Partnership on Sustainable, Low Carbon Transport (SLoCaT), to make sustainable transport a priority sectoral focus within the new global agenda for sustainable development. We highly welcome and stand ready to support the UN Secretary-General's Five Year Action Agenda, which includes sustainable transport as a key pillar of a post-2015 sustainable development framework.

Natural Capital and Large Scale Ecosystems

Maintaining and accounting for natural capital, such as forests, freshwater, and coastal and marine ecosystems (and the underlying biological diversity), is essential to making green growth a reality. We recognize that increased efforts are needed to value natural ecosystems and to promote policies, incentives, and financial resource mobilization to ensure the benefits from natural capital can be sustained. Supporting the protection and integrated management of critical large-scale ecosystems, such as the Amazon; the Pantanal; the Guiana Shield; the Meso-American Barrier Reef; the Congo and Nile Basins; the drylands and wetlands of Africa, including Lake Chad and Lake Victoria; the Coral Triangle; the Heart of Borneo; the Greater Mekong Subregion; and the Himalayas, is key to local poverty reduction and the delivery of ecosystem services at global, regional, and local scales. We will seek opportunities to expand our current investments in protection, management, and accounting of natural capital, while ensuring that all projects maintain the highest standards of environmental safeguards.

Saving the Oceans

We recognize the need to support a more comprehensive focus on maintaining the health of oceans. The protection of oceans is critical to sustainable development; they feed the planet's growing population, provide livelihoods, contribute to the global economy, and provide essential environmental services, including climate regulation. The oceans remain under severe threat from pollution, unsustainable harvesting of ocean resources, habitat destruction, and ocean acidification. Building upon and collaborating with a range of existing programs and conventions, we believe we are well placed to support the implementation of priority actions, mobilize finance, and generate know-how to close the widely recognized gap in implementing global, regional, and national commitments for healthy and productive oceans.

Food Security

The world will require something in the order of a 70 percent increase in food production by 2050 to maintain present levels of food security, in a context where the food security of one person in six is already poor and agricultural commodity prices have become much more volatile for the foreseeable future. Agricultural production, one of three key elements of food security, is particularly exposed to climate change and extreme weather events. Investing in agricultural productivity through sustainable practices increases resilience to climate change and reduces social tensions. The transformation to sustainable intensification of agriculture contributes both to poverty reduction and the growth of a green economy. Meeting this challenge calls for a holistic approach that we are well equipped to foster. In response to the ongoing food price crises, we have undertaken a number of targeted activities. In 2011, we financed over USD 9 billion to tackle the food security challenge. We commit to maintaining and expanding support to countries' efforts to improve the sustainability of agricultural production, manage the supply chain to reduce future food security risks, and expand the access of the poor to sustainable livelihoods.

Water for All

We believe that further water investments, and a more partnership-based approach to driving these investments, are needed to meet MDG targets. Globally more than 800 million people still lack a reliable drinking water service. Service improvements are barely keeping up with expanding urban population growth. Sanitation coverage is still off-track in many countries, with wide disparities between rich and poor and between urban and rural areas. We will continue to work with governments, the private sector, and civil society to increase investments in water and sanitation to reach full coverage to provide water security at the household level.

Across the developing world, the quantity and quality of freshwater are increasingly under severe stress. Many countries are already experiencing a water crisis, with climate change adding to the threat. We will implement our joint action plan on water and food security developed in 2011 to focus our water resources investments on increasing water security with a multisectoral approach that addresses the water-food-energy nexus, improves productivity and resilience, reduces disaster risks, and restores healthy rivers. The process of integrated water resources management (IWRM) will be indispensable to achieve this. We are committed to collaborating with a wide range of partners to support this adaptive management process with investments in river basins and cities supported by knowledge sharing, performance benchmarking, and capacity development.

In Summary

The MDBs are well placed to promote and support a reinforced approach to development planning and action that embraces the new green growth movement and a new set of global performance indicators (the SDGs). Collectively, we promote efficient use of resources, innovate financial products, leverage the financial power and ingenuity of others, foster equitable outcomes, and build institutional and policy capacity in partner countries. In all of these ways, we are committed to working with countries, non-governmental organizations, international agencies, and private sector groups to improve the coordination and impact of the billions of dollars invested annually in programs and projects worldwide.

On matters of equity, we are committed to supporting inclusive green growth, recognizing that the ways in which inequality impacts growth are country-specific. We have been at the forefront of enabling equitable access to finance and will build on experiences in areas such as micro-finance to strengthen our understanding of growth across productive segments of the population. While constraints are country-specific, it is clear that inclusive green growth requires burden-sharing between richer and poorer countries, and within countries, in order to maximize the benefits of green growth measures to the poor.

On financial mobilization, our private sector operations have effectively utilized a number of innovative structures besides direct investments, including funds, credit lines, and guarantee instruments, to mobilize local and international private finance for low-carbon infrastructure, particularly renewable energy and energy efficiency. To date, we have issued just over USD 7 billion in green bonds in varying currencies. This market, including some private sector bonds, totals around USD 12 billion, a small fraction of the more than USD 90 trillion held in global bond markets. We will continue efforts to expand this market to further fuel investments in sustainable development.

Continued access to bilateral and multilateral donor support is critical to our ability to provide needed technical assistance and take on additional risks, such as those relating to climate change mitigation and adaptation investments. We have demonstrated through the CIF that we are capable of leveraging donor resources to a significant extent. For example, every dollar from the Clean Technology Fund (CTF) has been leveraging eight dollars from other sources. We are committed to building on this success and extending the lessons to other emerging areas of concern, such as food security and the protection of oceans.

We believe that green growth must be underpinned by existing or new governance structures that reform energy policies, establish more reliable and transparent natural capital accounting, and integrate green growth targets into national and sector development plans and budgets. We will support governance initiatives that are tailored to country circumstances and target opportunities for green investment, innovation in sustainable infrastructure, and securing the productivity of natural capital.

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