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October 18, 2019

Opening Address by the Chairman of the Boards of Governors,  
the Hon. **AIYAZ SAYED-KHAIYUM**,  
Governor of the World Bank Group and the IMF for **THE REPUBLIC OF FIJI**  
at the Joint Annual Discussion



The truth is, multilateralism matters even more today than it did in 1944. We may not be in the throes of a world war, or just come out of one, but we face a threat of even deadlier potential: The intensifying fury of a changing climate.

The Bahamian and the Japanese people are the latest to suffer the tragic reality of climate change, following the suffering wrought by Hurricane Dorian and Typhoon Hagibis. In 2016, Tropical Cyclone Winston claimed the lives of 44 Fijians and, within 36 hours, wiped off one-third of the value of our GDP.

But existential threats posed by the climate crisis are not only contained by the shorelines of island states. As the Climate Action Summit last month made clear: this threat is global. Whether it is the super-storms wreaking havoc in Asia and the Southern-eastern regions of the United States of America, the desertification across Africa, changing weather patterns in the Mediterranean, the melting glaciers in Pakistan, or the rising seas lapping at the coastlines of cities from Miami to Jakarta and Dakha, the entire world is vulnerable. As the Fijian Prime Minister Frank Bainimarama often reminds us, “we are all in the same canoe” when it comes to dealing with climate change.

The growing severity of the climate threat has driven us into a complex and challenging landscape. But if we show the courage and creativity to evolve our global frameworks, there are opportunities waiting to be unlocked.

In the case of small states, tragedy has taught us that economic development and climate resilience must be one and the same. The investments we make in adaptation save lives and save us the costs of continuous rebuilds many times over – granting our economies the resilience to bounce back after climatic events without restarting and recharting our progress.

But adaptation investments are not conventional outlays. The upfront costs are far higher and the returns pay back over a far longer haul. We cannot build stronger bridges, bury electrical cables or relocate entire communities with the expectation of immediate financial pay-offs. These are investments that build long-term durability, stability and sustainability



As ministers for finance and economy, and leaders of financial institutions, it is on us to bring innovation to this conversation. Our business-as-usual mentality has unlocked only a tiny fraction of private finance in the adaptation space. Let's re-engineer the conventions. Let's market the real opportunities in resilient investments. Let's ramp up liquidity support and credit guarantees. Let's create new markets for insurance. Let's develop new means of assessing risks. And let's build new tools and make smarter use of the ones already at our disposal.

International financial institutions can also wield their convening power to leverage support from new partners; investment funds, sovereigns, and philanthropic organisations to lighten the burden of the costs on nations without disrupting the securities market. We can also encourage conscientious investing that supports resilient sustainability.

These are vital pathways to a vibrant and resilient global economy. Only by building resilience can we bring certainty to economies, empower growth and create the stable and growing demand for goods and services that fuels domestic, regional and international markets.

My fellow Governors, the Bretton Woods System undoubtedly restored stability to the international economic order in the aftermath of World War Two. But we're not living in the world as it was in 1944. Our world is rapidly warming, new inequalities are arising, and the climate crisis is exposing those gaps and, in some cases, ripping them wide open.

We need to bring new tools, new perspectives and new mindsets in tackling our world's greatest development challenges. If we do so, we are confident that at the ripe age of 75, our rules-based multilateral system will still be agile enough to live up to its highest founding ideals and, indeed, leave no nation behind.

Vinaka vakalevu. Thank you very much.