

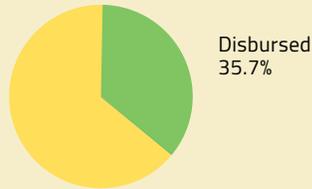
Is the World Bank undermining its own climate goals?

- The World Bank leads all multilateral development banks in undertaking the **most policies and initiatives and hosting the most climate programs**.
- But the Bank has **only disbursed 36%** of this funding, and **falls in the middle** of the MDBs in the share of its own finance (**32%**) for climate.
- As the global standard setter in multilateral finance, the Bank needs to **achieve more consistency** between policy commitments and projects being implemented.

IMPLEMENTATION?

World Bank-Managed Climate Trust Funds

Pledges total \$10.4 billion, but reported disbursements only add up to \$3.7 billion.



Undisbursed: 64.3%

World Bank Climate Change Action Plan (2016) commits to:

SCALE UP PRICING OF CARBON

Carbon Pricing Leadership Coalition, Partnership for Market Readiness & other initiatives; many projects



FOREST-BASED, LOW-CARBON DEVELOPMENT IN IDA COUNTRIES

Of 54 IDA countries where REDD+ is feasible, **only 26** are participating in the Forest Carbon Partnership Facility; of these, 14 have validated REDD+ strategies



SUPPORT NATIONALLY DETERMINED CONTRIBUTIONS

Of 79 potential beneficiaries in the NDC Partnership, **only 17** are benefiting from the World Bank NDC Support Facility



PUBLISH CLIMATE-SMART AGRICULTURE PROFILES AND INVESTMENT PLANS

31 Climate-Smart Agriculture profiles, but **0** investment plans



AVOID DEFORESTATION

The World Bank is supposed to be making its projects “forest-smart,” but isn’t tracking how much project-induced deforestation is avoided, if any.



REDUCE GHG EMISSIONS

The World Bank is supposed to report GHG emissions reduced or avoided (or carbon sequestered), but this is only reported for individual projects, not WB as a whole.



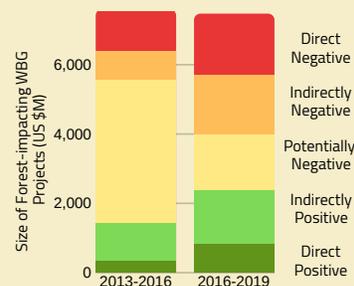
CONSISTENCY?

Does the World Bank fund the coal industry?

The 2013 World Bank coal policy applies only to coal-fired power plants, but the Bank is still supporting mines, railroads, transmission lines and other infrastructure supporting coal exploitation, so its impact has been limited.



To effectively cut coal dependency requires a comprehensive policy against any form of financing that aids coal power.



Does the World Bank fund deforestation?

Despite an increase in beneficial projects, in the last three years, the Bank has increased projects likely to harm forests by a similar share.*

*Based on review of active WBG financing in 9 countries: Brazil, Colombia, Dem. Rep. of the Congo, Indonesia, Liberia, Mexico, Mozambique, Nepal, Peru

LEADERSHIP?

The World Bank has been a standard setter in multilateral finance, including on climate.

2013	2016	2017
<ul style="list-style-type: none"> • No More Coal Power • Support hydro-electric power 	<ul style="list-style-type: none"> • Climate Change Action Plan • ESS3: Resource Efficiency and Pollution Prevention & Management 	<ul style="list-style-type: none"> • Global standard on green bonds • GHG reporting • End upstream oil and gas • Shadow price of carbon in project analysis

The World Bank appears to be achieving some climate goals while it undermines others.

A “climate-smart” bank must not only screen for climate risk. It must actively reduce risk and provide low carbon, resilient models for development, so that countries reach both their climate and development goals.



What does the world need from the World Bank on climate change?

The Way Forward

IMPLEMENTATION AND AMBITION

To meet the demands of leadership, the World Bank must consistently implement its commitments and raise its level of ambition.

Implementation

Track & report on the

1. Climate Change Action Plan,
2. Forest Action Plan, and
3. IDA-18 Replenishment Report.



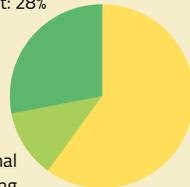
Currently, we find data for only **7** out of **39** of actions planned.

Ambition

FINANCE

- WBG should bring its ambition at least in line with other MDBs, to achieve an average of 40% of its new commitments to support climate action over 2021–25.
- This means adding at least \$25 billion to its 2021–25 goal for climate finance.

Current WBG climate financing target: 28%



Additional financing needed to match other MDBs: 12%

\$200B → \$225 B+

ENERGY

- *Extend exclusions* of coal plants and upstream oil and gas projects to cover indirect support via development policy finance, technical assistance, and financial intermediaries.
- *Coal*: stop funding mines, railroads, transmission lines and other infrastructure supporting coal power.
- Expand programs for energy access through *distributed renewable energy* by 50% by 2025, toward the goal of 100% renewable energy by 2050.



GOALS MISSING BUT NEEDED

Paris Accord Alignment

EXPAND SUPPORT FOR NATIONALLY DETERMINED CONTRIBUTIONS

Current beneficiaries of the NDC Support Facility: **17** countries
Goal should be: **79** countries
(all eligible members in the NDC Partnership)



LOW-CARBON DEVELOPMENT

Commit to reduce GHG emissions intensity of all WBG projects by:

20% by 2025
40% by 2030
90% by 2050

CARBON PRICING LEADERSHIP COALITION

Increase from **36** to **60** countries by 2025.

COALITION OF FINANCE MINISTERS FOR CLIMATE ACTION

Seek at least **30** members from World Bank client countries.

Forests and Landscapes

ADOPT A PRIMARY FOREST EXCLUSION

Exclude support for commercial logging in primary tropical or old growth forests.



MAKE REDD+ REAL

Increase prices for forest CO₂ sequestered from \$5/ton to:

\$10 by 2025
\$20 by 2030

FOREST LANDSCAPE RESTORATION

Commit to FLR for **60** countries by 2025.

Turn Plans into Projects

The Bank has promised:

- climate-smart agriculture investment plans in at least **40** countries,
- forest policy notes in **20**,
- NDC investment plans in **10**,
- and Sustainable Energy for All Investment (SE4All) Prospectuses in **7**.

Each of these should result in at least one project!



For more information, see: <https://bankinformationcenter.org/en-us/campaign/environment--climate>

