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.
- Disbursed 35.7%
- 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.**

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<thead>
<tr>
<th>2013</th>
<th>2016</th>
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<tr>
<td>- No More Coal Power</td>
<td>- Climate Change Action Plan</td>
<td>- Global standard on green bonds</td>
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<tr>
<td>- Support hydro-electric power</td>
<td>- E553: Resource Efficiency and Pollution Prevention &amp; Management</td>
<td>- GHG reporting</td>
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<td>- End upstream oil and gas</td>
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<td>Global standard on green bonds</td>
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<td>SHadow price of carbon in project analysis</td>
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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

**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%

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

**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.

$200B → $225B+

**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