

## Fact Sheet: World Bank and Climate Change

### Context:

- Climate change and increasing variability are already affecting many development sectors – agriculture, water, health, and infrastructure – and will continue to do so in the coming decades.
- Under the United Nations climate negotiations, governments have agreed to keep the average global temperature rise below 2 degree Celsius. However, there is increasing scientific evidence that this target will be missed without sustained policy action. *Turn Down the Heat*, a snapshot of the latest climate science prepared for the World Bank by the Potsdam Institute for Climate Impact Research and Climate Analytics, says we are on a path to a 4 degree Celsius<sup>1</sup> (4°C) warmer world by the end of this century under current greenhouse gas emissions pledges<sup>2</sup>.
- Poorer nations and communities are likely to suffer the most as they often are dependent on climate sensitive activities, located in drier and warmer, or coastal areas and have the least economic, institutional, scientific, and technical capacity to cope and adapt.
- Recent World Bank work on [Inclusive Green Growth](#) shows that it is possible to grow cleaner without growing slower, through addressing the many market and governance failures that plague our economic systems.

### World Bank Action:

#### **Climate Change goes to the very core of how we do our development work.**

- The World Bank is helping 130 countries take action on climate change.
- Last year, all Bank Country Assistance/ Partnership Strategies addressed climate resilience.
- All recent sector strategies ranging from environment, education and social protection, to urban and transport infrastructure mainstream climate considerations.

#### **The World Bank works with countries to assess and manage risks from climate change**

- Countries need support to re-orient their development plans so that climate change is factored into their planning processes. Over the last two years, we committed close to \$2.9 billion for low-emissions Development Policy Operations (DPOs) and more than \$1.5 billion in addition to support climate-resilience. *A Development Policy Loan to [Promote Inclusive Green Growth and Sustainable Development](#) will support the Government of Himachal Pradesh in India to launch transformative actions across its key engines of economic growth -- energy, watershed management, industry and tourism.*
- The [Pilot Program for Climate Resilience](#), a dedicated fund of almost \$1 Billion for adaptation under the Climate Investment Funds gives priority to highly vulnerable least developed countries. *It provides grants and optional near zero interest concessional loans for a range of activities in*

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<sup>1</sup> 4 degrees Celsius = 7.2 degrees Fahrenheit

<sup>2</sup> Even with the current mitigation commitments and pledges fully implemented, there is roughly a 20 percent likelihood of exceeding 4°C by 2100.

*17 countries: improving agricultural practices and food security, building climate-resilient water and housing, and improving weather data monitoring.*

- The World Bank has strengthened operational links between climate adaptation and disaster risk management, working closely with the [Global Facility for Disaster Reduction and Recovery](#) (GFDRR). *Indonesia with the help of the Australia Indonesia Facility for Disaster Reduction (AIFDR) and GFDRR has developed a new hazard impact modelling tool, called the Indonesia scenario assessment for emergencies, or [InaSAFE](#) to help communities better prepare for floods, earthquakes and tsunamis.*
- Recent work on [decision-making under deep uncertainty](#) provides tools to help policy-makers take climate change – and the uncertainty that it brings – into account in development actions. *Pilot studies are underway on flood risks in Ho Chi Minh City and infrastructure development in Africa.*

### **We provide analytical guidance to help countries make more informed decisions on climate change**

- Low carbon growth studies have provided knowledge of the incremental costs and benefits of development programs with lower GHG emissions. The study on [Economics of Adaptation to Climate Change](#) showed that it will cost an estimated \$70-\$100 billion per year through 2050 for developing countries to adapt.
- [The Climate Knowledge Portal](#) is a gateway to the most comprehensive set of quality climate information, knowledge and analysis tools on climate change.
- The [Climate Finance Options](#) Platform is a one-stop portal for information on sources of climate finance.
- The [Green Growth Knowledge Platform](#) – a common initiative with OECD, UNEP, and GGGI – aims at identifying good practices of and filling knowledge gaps on green growth policies, and at creating a network of practitioners and researchers to provide actionable advice to policymakers.

### **To act effectively on climate change, many sources of financing are needed and we need to innovate to fill the large financing gap. Providing financing for climate change is a priority for us.**

- In 2012, the World Bank lent \$7.1 billion in support of mitigation and \$4.6 billion for adaptation. Our adaptation lending doubled from 2011 to 2012.
- We are leveraging funds to increase investments in clean energy, and adaptation especially for low income countries. The [Climate Investment Funds \(CIFs\)](#) have \$7.2 billion pledged for 48 countries, leveraging \$43 billion in investment.
- We are working through markets. As pioneers of [Carbon Finance](#), we have raised \$3 billion through 13 funds and facilities operating in 70 countries since 2000. The \$130 million **Carbon Initiative for Development** (Ci-Dev) is focused on helping least developed countries gain access to the carbon market.
- We have issued over US\$ 3.3 billion in **Green Bonds** through 51 transactions and 17 currencies.

**The World Bank has made a clear choice in favor of supporting developing and emerging market countries investing in [renewable energy](#) and energy efficiency.**

- In 2012, the World Bank Group approved a total of \$3.6 billion in financing for renewable energy, a record 44% share of its annual energy lending of \$8.2 billion.
- The energy efficiency portfolio rose from \$3.0 billion over 2006-08 to \$5.0 billion in 2009-11.
- The World Bank Group has been closely involved in the [Sustainable Energy for All initiative](#). The Bank committed to doubling the leverage of its energy financing, providing technical assistance to several opt-in countries. These include the Global Geothermal Development Plan, Lighting Africa and Lighting Asia, the Global Alliance for Clean Cook Stoves, the Global Gas Flaring Reduction Partnership (Phase Four) and mapping of renewable energy resources.

*Mexico entered the Guinness Book of Records after distributing almost 23 million energy-saving light bulbs for free. The [national program](#), partially financed by the World Bank, established over 1,100 exchange points at which customers replaced their incandescent bulbs with CFLs. The energy saving from the program so far is estimated at 1,400 gigawatt hours.*

**Work on [Climate Smart Agriculture](#) focuses on a triple-win: carbon sequestration, food security and climate resilient livelihoods.**

*In a Biocarbon project in Western Kenya, some 60,000 farmers on 45,000 hectares of land are reversing soil degradation, boosting crop yields, and increasing their revenues. Farmers are receiving a payment for storing more carbon in the soil as a result of improved farming practices.*

**The Bank takes an integrated approach in its assistance to [cities](#). This means a blend of finance, analytical work, and technical assistance.**

*The World Bank has committed \$15 billion to 20 cities to help build climate resilience and reduce greenhouse gas emissions. We work in partnership with groups like the [C-40](#), a coalition of the largest cities that aims to develop common tools and metrics, city- tailored finance, and enhance city-to-city learning.*

**For more information, go to:**

**[climatechange.worldbank.org](http://climatechange.worldbank.org)**

Read the Development in a Changing Climate blog: <http://blogs.worldbank.org/climatechange/>

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