WBG Vision, Commitments and Institutional Realignment for Delivering Results on Climate Change

Mr. Venkata Ramana Putti
Practice Manager, CMI
World Bank Group

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Delivering on our 28% Climate-Related Financing Target

- A one-third increase in financing that is climate related, from 21 percent to 28 percent of annual commitments by 2020
- If current financing levels are maintained, this would mean an increase to USD 16 billion in 2020.
- The WBG intends to continue current levels of leveraging co-financing for climate-related projects, that could mean up to another USD 13 billion a year in 2020.
- The direct financing and leveraged cofinancing together represent potentially an estimated USD 29 billion in 2020.
IDA 18 Climate Commitments

- All IDA SCD and CPFs to incorporate climate and disaster risk considerations and opportunities and reflect NDCs
- All IDA operations continue to be screened for climate change and disaster risks and integrate resilience measures
- Support at least 10 countries (on demand) to translate their NDCs into specific policies and investment plans and start to integrate these into national budget and planning processes
- Increase use of DPOs that support climate co-benefits
- Report annually on private finance mobilized for climate and continue to report on overall climate finance together with other MDBs
- Apply GHG accounting and shadow carbon price for all operations in significant sectors, and apply a revised guidance note on discount rates
- Develop at least 10 climate-smart agriculture investment plans and 10 programmatic forest policy notes
- Support the addition of 5 GW in renewable energy generation
- Develop Investment Prospectuses in 7 additional countries with low electricity access
## Climate Change Action Plan

**Target Climate Co-Benefits Generated by GPs by FY20**

<table>
<thead>
<tr>
<th>Area</th>
<th>Share of climate co-benefits</th>
<th>Climate co-benefit FY20 ($USD mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY11-15</td>
<td>FY17</td>
</tr>
<tr>
<td>GGSVP</td>
<td>-</td>
<td>29%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>Energy &amp; Extractives</td>
<td>62%</td>
<td>44%</td>
</tr>
<tr>
<td>Environment &amp; Natural Resources</td>
<td>60%</td>
<td>46%</td>
</tr>
<tr>
<td>Social, Urban, Rural and Resilience</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Transport &amp; ICT</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Water</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>Other GPs</td>
<td>02%</td>
<td>04%</td>
</tr>
<tr>
<td>Total</td>
<td>21%</td>
<td>18%</td>
</tr>
</tbody>
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**Total** 11,915
Vision:

*Empower client countries to enhance their climate action ambition by leveraging market-based instruments to transition to low-carbon economies*
Objectives  |  CCAP Priorities
---|---
1. Monetize climate co-benefits in WBG investments  |  1. Support transformational policies and institutions
2. Pilot climate asset transactions to inform next generation markets and crowd in other sources of financing  |  2. Leverage resources
3. Consolidate WBG’s role as ‘thought leader’ on markets and carbon pricing  |  3. Scale up climate action
4. Enhance client capacity to use markets & carbon pricing in NDC implementation  |  4. Align internal processes and work with others
Expected Outcomes (1)

1. MONETIZE CLIMATE CO-BENEFITS IN WBG INVESTMENTS

1.1) Transformed the mitigation impact of WB investments through MRV of co-benefits, increased revenues, and reduced borrowing costs

1.2) Monetized $X co-benefits per year to assist achievement of WBG climate commitment (28% by 2020)

2. PILOT CLIMATE ASSET TRANSACTIONS

2.1) Definitions and interpretations of post-Paris climate assets (e.g., ITMOs tested through pilots)

2.2) Large climate asset transactions, structured with financial support from WB and other sources
3. GLOBAL THOUGHT LEADERSHIP

3.1) Common interpretation of post-Paris climate assets (ITMOs) and recommendations for operationalization

3.2) Scalable and linkable international market that contributes towards a long-term, stable price on carbon

4. INTEGRATED APPROACH TO SUPPORT CLIENTS ON MARKET-BASED INSTRUMENTS

4.1) Client countries have the knowledge and national capacity to design domestic mitigation actions that are ‘finance ready’ and ‘link ready’
Themes and Initiatives

Development of Markets 2.0 (incl.) Operationalization of ITMOs

Results-Based Finance

CPF & TCAF
Monetization of climate co-benefits in IBRD (Middle Income) Countries

Ci-Dev
Monetization of climate co-benefits in IDA (Low Income) Countries

TA & CB for Carbon Markets

PMR
Support countries to implement NDCs through domestic and international carbon markets

Aviation
Capacity building and financial assistance to client countries to comply with the new international aviation GMBM

Innovation

NCM
Help develop linked markets and a stable longer term carbon price

PAF
Replicate and/or scale up the model internally and externally

Advocacy (CPLC), Knowledge & Analytics (CPI) and Communications

World Bank Group
Climate Change

Partnership for Market Readiness (PMR)
For more information on the Partnership for Market Readiness (PMR), please contact:

PMR Secretariat
PMRSECRETARIAT@WORLDBANK.ORG
WWW.THEPMR.ORG