DEVELOPMENT AND CLIMATE CHANGE

A Strategic Framework for the World Bank Group

COMPLETION REPORT FY09–11

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ANNEXES (SEPARATE DOCUMENT)

1. CONTEXT

The Strategic Framework on Development and Climate Change (SFDCC) for the World Bank Group was requested by the Development Committee during the World Bank/IMF Annual Meeting in 2007 and endorsed by the Development Committee on October 12, 2008.

The Framework provided a road map for climate action for the World Bank Group (WBG) over fiscal years 2009–11, setting out the WBG's objectives, principles, areas of focus, and major initiatives in the field of climate change.

Its starting point was a strong recognition that the core mission of the WBG is to promote inclusive growth and poverty reduction. Addressing climate change is an essential part of this mission. Particular attention was given to strengthening the resilience of economies and communities to increasing climate risks and adaptation.

The Framework was organized around six action areas:

1. Supporting climate actions in country-led development processes
2. Mobilizing additional concessional and innovative finance
3. Facilitating the development of market-based financing mechanisms
4. Leveraging private sector resources
5. Supporting accelerated development and deployment of new technologies
6. Stepping up policy research, knowledge, and capacity building.

It acknowledged the need for decision making under uncertainty about future climate change scenarios, and thus proposed a significant focus on improving knowledge, capacity, and learning-by-doing. It stressed the need for the WBG to be flexible to incorporating new developments in knowledge and negotiations into the Framework.

An interim progress report (May 2010)[1] documented the advances made in the WBG's climate change agenda since approval of the Framework. It emphasized the need to refine priorities to respond to future internal and external developments, and highlighted progress on (a) mainstreaming climate actions; (b) continued growth in low-carbon financing; (c) scaling up new and innovative climate financing; and (d) building up and disseminating knowledge on climate change.

1 World Bank. 2010. "Development and Climate Change: A Strategic Framework for the World Bank Group – Interim Progress Report." (SecM2010–0227) Washington, DC: World Bank.

2. A CHANGING GLOBAL CONTEXT

The WBG recognizes the primacy of the United Nations Framework Convention on Climate Change (UNFCCC) process for achieving long-term cooperative action on climate change. Deliberations under the UNFCCC have helped guide our fast-growing support to global climate action over fiscal years 2009–11, and will continue to do so in the future. When the Strategic Framework was launched, there were still expectations that a global agreement on climate would be forthcoming soon. The absence of such an agreement has made our engagement in climate change more challenging, but also more urgent and more productive. Global progress on mitigation has been less than expected and most experts now believe that it is very unlikely that increases in average global temperatures will be kept to the 2 degree goal. This poses a greater threat to developing countries, and their requests for WBG assistance for adaptation has grown more than expected. At the same time, a growing number of developing countries have indicated that they want to become part of the solution, and are seeking support for moving toward lower carbon growth. Today the WBG is providing support to 130 countries on climate change, and all country strategies include climate change as a core area for WBG support.

At the Durban COP in December 2011, the Parties agreed to reach an agreement with legal force by 2015, to become effective from 2020 (box 1). While highly positive, this means that voluntary actions, supported by the WBG and others, are more

BOX 1. THE "DURBAN PACKAGE"

The "Durban Platform" at COP-17 outlined a path toward negotiating a global and legally binding agreement on emission reductions by 2015 that will include all countries in accordance with their common but differentiated responsibilities and respective capabilities. This global agreement would allow time for ratification and take effect from 2020. A second commitment period of the Kyoto Protocol was also agreed, as was the design instrument for the Green Climate Fund, which will take immediate steps toward full operationalization and capitalization. The details of the second commitment period of the Kyoto Protocol are to be negotiated in Doha (COP-18) at the end of 2012. The second commitment period will only enter into force when ratified by a sufficient number of countries. Further operationalization of the institutional modalities for the Technology Mechanism, the Adaptation Committee, and the establishment of a registry of developing country mitigation actions were similarly agreed. Other important decisions included (a) the establishment of a forum and work program on unintended consequences of climate change actions and policies; (b) procedures to allow carbon-capture and storage projects under the Kyoto Protocol's Clean Development Mechanism; and (c) development of a new market-based mechanism to assist developed countries in meeting part of their targets or commitments under the convention. COP-17 also moved closer to including a work program on agriculture. The issue was debated in June 2012, and a decision is expected at COP-18.

important than ever. At the same time the WBG can—through demonstrating that success is possible at scale at reasonable costs—make a global deal more likely.

Based on the current status of UNFCCC negotiations, it does not appear that a globally binding regulatory regime setting forth emission reduction obligations will come into force until the end of this decade. Therefore voluntary action and leadership are needed if irreversible climate change impacts are to be avoided. There are, however, some promising signals. Nearly 90 countries have registered plans with the UNFCCC to address the emissions intensity of their growth by 2020. This includes 51 developing countries that have identified Nationally Appropriate Mitigation Actions (NAMAs), a quarter of which are low-income countries. At the same time, 48 least-developed countries (LDCs) have submitted their National Adaptation Plans of Action (NAPAs), which identify priority activities to adapt to climate change. The COP-17 decision calls for least-developed countries to develop National Adaptation Plans (NAPs), which will focus on medium and long-term adaptation needs.

3. ACHIEVEMENTS AND LESSONS

Highlights of the WBG's engagement across six action areas prioritized in the SFDCC are presented in this section. Supporting information is provided in annexes 1 and 3.

ACTION AREA 1: SUPPORT CLIMATE ACTIONS IN COUNTRY-LED DEVELOPMENT PROCESSES

At the time of its approval, the SFDCC committed to a demand-driven process to support country-led climate actions. It acknowledged that the WBG's response would depend on its ability to provide additional financing, facilitate technology transfer, and build knowledge and capacity. It identified a number of operational priorities, including (a) strengthening climate resilience, (b) realizing multiple benefits of sustainable development, and (c) taking advantage of low-carbon growth opportunities.

Strong Mainstreaming across the WBG. One of the biggest achievements during the SFDCC implementation period has been the growing integration of climate change considerations at the strategic level (box 2). In fiscal 2011, 100 percent of approved country assistance or partnership strategies prepared in consultation with client countries included climate change as a priority. A growing number of sector strategies—ranging from social development such as education and social protection to urban and transport infrastructure—mainstreamed climate change considerations, making it easier to support climate action in regular operations. For example, the new World Bank Group Environment Strategy—which was endorsed by the Bank Board's Committee of Development Effectiveness in January 2012—articulates a vision for a "*Green, Clean and Resilient World for All*" and prioritizes scaled-up action in the following key areas over the next 10 years: a new World Bank-led Global Partnership for Oceans; Wealth Accounting and Valuation of Ecosystem Services (WAVES); low-emission development; pollution management; adaptation to climate change; disaster risk management; and improving resilience of small-island states.

The infrastructure lending portfolio has also moved toward less-GHG intensive projects in response to country demand and new climate considerations in Bank strategies (box 3). For example, there has been a significant increase in renewable energy investments and projects that facilitate a modal shift in transport. Another good example is the move toward integration of adaptation in disaster risk reduction programs in partnership with the Global Facility for Disaster Reduction and Recovery (GFDRR).

Similarly, in recognition of agriculture as a sector that both contributes to, and is impacted by climate change, the Bank's upcoming Agriculture Action Plan will include an increased focus on environmental services and sustainability. This includes the use of climate-smart agriculture as a way to increase farm productivity and incomes and make agriculture more resilient to climate change while also contributing to mitigation.

BOX 2. HIGHLIGHTS OF THE WORLD BANK GROUP'S IMPLEMENTATION OF THE SFDCC (FY2009–11)

The WBG is working in 130 countries supporting climate adaptation and mitigation.

In fiscal 2011, 100 percent of the new country assistance strategies (CASs) or country partnership strategies (CPSs) prioritized climate change (compared to 32 percent in fiscal 2007, 63 percent in fiscal 2009, and 88 percent in fiscal 2010).

IDA-16 requires that all CASs and CPSs address climate resilience. Actions to address climate resilience were specified in 41 percent, 65 percent, and 76 percent of CASs/CPSs approved in fiscal 2009, 2010, and 2011, respectively.

Climate investment funds are up and running in 46 countries through 39 country and regional pilots that support transformations in clean technology, sustainable management of forests, increased energy access through renewable energy, and climate-resilient development.

The share of low-carbon projects in the WBG portfolio increased from $6.76 billion (42 percent) in fiscal years 2006–08 to $14.9 billion (51 percent) in fiscal years 2009–11. WBG's renewable energy portfolio increased from $2.9 billion (18 percent of total lending) in fiscal years 2006–08 to $6.6 billion (22 percent) in fiscal years 2009–11. In the same time period, the energy efficiency portfolio increased from $3.0 billion (19 percent) to $5.0 billion (17 percent).

The WBG's GEF portfolio supports climate change initiatives in 72 countries. The cumulative portfolio of GEF-supported projects incorporating climate change grew by $229 million (Board approvals) during the three years of SFDCC implementation.

The WBG is supporting carbon markets in 63 countries and expanding market reach and access through the Partnership for Market Readiness in 15 countries.

The WBG is working with 37 countries on the Forest Carbon Partnership Facility (FCPF), with 11 readiness grants signed. There are $200 million in carbon funds that provide performance-based payments for five REDD+ ready countries.

There is greater emphasis on the "triple wins" of agriculture—productivity gains, resilience, and lower emissions—in Brazil, China, Kenya, and Yemen.

There is increasing work at the city level on climate change. Examples include the Mayors' Task Force on Climate Change, a citywide approach to carbon finance and GHG methodologies for cities.

Knowledge products include the WDR on *Development and Climate Change* in 2009, the *Economics of Adaptation to Climate Change* in 2010, regional reports such as *Adaptation to a Changing Climate in the Arab Countries* and *Winds of Change in East Asia*; and tools such as EFFECT for low-carbon development. The Climate Change Knowledge Portal and the Climate Finance Options (jointly managed with the UNDP) add to the global public knowledge goods.

BOX 3. IEG REVIEW ON MITIGATION

The phase II IEG evaluation report on mitigation recommended that the WBG rebalance its efforts toward higher-impact sectors and instruments, with relatively greater emphasis on energy efficiency, such as lighting and improvements in electricity transmission and distribution. The report also emphasizes the need for the Bank to actively assist clients to move away from coal, as well as using systemwide energy analyses to find cleaner, more cost-effective, and financeable alternatives. It urges the Bank Group to take a public venture capital approach, incubating a portfolio of promising investments and rapidly scaling up the successful ones. This approach to replication and scaling up is reflected in the Bank's work under the GEF, the Climate Investment Funds, and the various carbon funds it manages.

Country demand for assistance to build climate resilience rose significantly, recognizing the urgent challenge posed to the well-being of the poorest communities. Climate-resilient development is a special theme of IDA-16, and additional resources are provided through the replenishment to support the incremental cost of addressing climate risks and impacts at a project level. The WBG is actively engaged in the $1 billion Pilot Program for Climate Resilience (PPCR) to support efforts on adaptation.

The WBG also took action to reduce its corporate greenhouse gas emissions through a comprehensive program to measure and manage its emission sources. For example, technological upgrades and improvements in operational efficiency have helped reduce emissions by 7 percent compared to 2006 levels at the Bank's headquarters in Washington, DC. To help maintain carbon neutrality, the WBG purchases verified emissions reduction credits for facilities and travel emissions, and renewable energy certificates for emissions related to electricity consumption. In fiscal 2011, the WBG maintained carbon neutrality for its global operations with the purchase of carbon credits from a composting project in Pakistan.

The WBG has successfully supported the SFDCC's operational priority areas and mainstreamed climate considerations into the WBG's core development agenda. The early establishment of a group-wide Climate Change Management Group and the appointment of regional climate change coordinators were fundamental in effectively translating SFDCC goals into tangible strategies and investment portfolios. The appointment of a WBG vice president-level Special Envoy on Climate Change in 2010 created a focal point for mainstreaming climate change actions across the WBG, as well as the Group's support to clients and global processes. Moving forward and building on this experience, mainstreaming climate through the programs of all sectors is now the focus—supported by continued excellence and innovation in climate finance, management tools, data, and evidence.

ACTION AREA 2: MOBILIZE ADDITIONAL CONCESSIONAL AND INNOVATIVE FINANCE

International funding for climate action in developing countries, while growing, covers about 5 percent

of finance needed to build climate-resilient futures.[2] The SFDCC had mandated the WBG to utilize financing instruments like climate investment funds to not just address the financing needs, but to also develop capacity in client countries to address climate action at scale.

The current resource gap. To address the looming financing gap, developed countries committed under the Copenhagen Accord and Cancun Agreements to provide new and additional resources for climate change activities in developing countries. This approaches $30 billion for the period 2010–12. By 2020—the same year a global agreement on climate change is expected to enter into force—it will provide $100 billion per year, drawing on a wide range of conventional and innovative resources, including public and private, bilateral, and multilateral sources.

A Green Climate Fund (GCF) is now being operationalized under the UNFCCC to help disburse these flows. The World Bank has a limited role as an *interim* trustee for the GCF in its first three years of operation. The Bank has been working with the UNFCCC to support the design of the GCF and ensure it is both nimble and efficient. It is also trustee of the Adaptation Fund, monetizing certified emission reductions (CERs).

Under the most optimistic assumptions, the GCF is expected to start disbursing small amounts of project preparation funds in two to three years, but it may take five or six years before this begins to result in scaled-up investment finance. To reach $100 billion annually by 2020 requires an upward trajectory in financing to 2020 that is not yet clearly understood.

The World Bank Group response. The main channels for mobilizing concessional and innovative climate finance have been the Climate Investment Funds (CIF) jointly managed by the multilateral development banks, the Global Environment Facility (GEF) and its associated Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), and IDA—the WBG's fund for the poorest countries.

The CIF[3] have demonstrated what can be done to support transformative adaptation and mitigation action at scale (box 4) and offer valuable lessons for the GCF design. CIF innovations in country-led processes, programming, and governance arrangements have required substantial groundwork and time by all involved partners for each and every investment program. The Clean Technology Fund, one of several funds under the CIF, have a projected leveraging ratio of more than 1:7, and have so far led to estimated CO_2 reductions or avoidance of 1.56 billion tons. This shows a significant investment in climate mitigation in 46 CIF partner countries. However, current demand for CIF assistance outweighs available resources, indicating a need for additional financing to cover the gap before the GCF is fully operational.

2 A World Bank study on *Economics of Adaptation to Climate Change* estimates that it will cost $70–$100 billion per year for developing countries to adapt.

3 All information on the CIF in this report is current as of February 2012.

BOX 4. THE CLIMATE INVESTMENT FUNDS (CIF)

Climate Investment Funds (CIF)			
Clean Technology Fund (CTF) Demonstrate, deploy, and transfer low-emissions technologies for low-emissions development **$5.0 billion**	**Strategic Climate Fund (SCF)** Targeted programs to pilot new approaches to initiate transformation with potential for scaling up climate resilience **$2.2 billion**		
Clean Technology Fund (CTF) Country and Regional Investment Plans	Pilot Program for Climate Resilience (PPCR)	Forest Investment Program (FIP)	Scaling Up Renewable Energy in Low-Income Countries (SREP)
Demonstrate, deploy, and scale up renewable energy efficiency, urban transport, and commercialization of sustainable energy finance through local banks	Mainstream resilience in development planning	Reduce emissions from deforestation and forest degradation	Create economic opportunity, increase energy access through renewable energy
16 CTF Investment Plans: Chile, Colombia, Egypt, India, Indonesia, Kazakhstan, Mexico, Morocco, Nigeria, Philippines, South Africa, Thailand, Turkey, Ukraine, Vietnam, regional MENA Concentrated Solar Power (Algeria, Egypt, Jordan, Morocco, Tunisia)	**9 PPCR countries, 2 regional pilots ($1.2b):** Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia, Caribbean, S. Pacific	**8 FIP pilots ($639m):** Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico, Peru	**6 SREP pilots ($410m):** Ethiopia, Honduras, Kenya, Maldives, Mali, Nepal, Tanzania

Note: Information on CIF current as of February 2012.

Nearly $2 billion in GEF financing has supported renewable energy, energy efficiency, and sustainable transport projects. The GEF received a record boost from donor countries in May 2010. The GEF subsequently expanded support to recipient countries for capacity building, climate friendly technologies, and sustainable development. After nearly 20 years of operation, the Bank remains the GEF's largest implementing agency partner in the climate change focal area. Approaches and concepts supported by early GEF initiatives have laid the foundation for much of the Bank's current low-carbon development work.

The current (sixteenth) replenishment of IDA includes a special theme on "achieving climate-resilient development." It recommends that all IDA projects in climate change-sensitive sectors analyze the potential climate impact of project activities to ensure they are consistent with national climate mitigation

and adaptation strategies. This is a clear indication of the mainstreaming of climate change concerns in the largest fund for the poorest countries. There have been successful efforts to increase funding for adaptation through GEF-operated funds like the Least Developed Country Fund (LDCF) and the Special Climate Change Fund. But uptake for the LDCF by the poorest countries has been slow.

ACTION AREA 3: FACILITATE THE DEVELOPMENT OF MARKET-BASED FINANCING MECHANISMS

Market-based financing mechanisms have the potential to contribute significantly as a source of finance for scaled-up climate action. But clear market signals, enabling environments, safeguards, and strong, predictable and transparent regulatory frameworks are important prerequisites for helping countries opt for low-emission pathways. The SFDCC committed to explore and pilot avenues to deepen the reach of the carbon market, and expand work on climate risk insurance and capital markets. It recognized the important role the WBG was playing in supporting client countries' access and effectively using market-based instruments.

Current carbon market trends. Although the carbon market was worth $142 billion in 2011, confidence in the post-2012 market—when the first Kyoto Protocol commitment period comes to an end—is low. However, countries like China, Chile, Colombia, Costa Rica, Indonesia, Mexico, Thailand, and Turkey are adopting cap and trade systems, which they feel will boost technology and competitiveness. The private sector has been showing increasing interest in investing in green projects, especially related to energy efficiency.

The World Bank Group response. Carbon finance has been integrated into the assistance programs of all World Bank operational regions—from forest restoration in Ethiopia to clean energy in Sub-Saharan Africa and capacity building in Latin America. The aim is to deepen and broaden the Bank's response to climate change, helping poor communities and countries cope with climate change while still achieving economic growth, poverty reduction, and sustainable development. For example, the Community Development Carbon Fund and the BioCarbon Fund show that carbon markets can work to bring in revenue streams to rural communities that otherwise have limited sources of income. It has demonstrated that these initiatives are not only mitigating climate change but also improving rural livelihoods, improving resilience to climate change, conserving biodiversity, and restoring degraded lands.

The Bank's carbon funds have employed a learning-by-doing approach, testing innovative market approaches and contributing to global knowledge through the development of new methodologies. For example, a soil carbon methodology was approved recently that involved working with experts across the world, the validating entity in the United States, and farmers in Ethiopia over several years. This will now enable smallholders in Kenya to get revenues from the carbon market for improved soil management.

The Bank continues to explore new opportunities to

broaden the scope of carbon finance. For example, the Partnership for Market Readiness (PMR), a grant-based capacity-building fund, has made significant progress since its launch in Cancun in 2010. PMR is becoming one of the most important platforms to discuss new market instruments and help prepare countries to scale up mitigation efforts through their use. Other more recent innovations include the Carbon Initiative for Development (Ci-Dev), which aims to build readiness and capacity to access carbon markets in low-income countries and support a pipeline of low-carbon investment opportunities. Another is the third tranche of the BioCarbon Fund, which pilots soil carbon sequestration, explores landscape accounting approaches, and values ecosystem services.

With an expected increase in the intensity and damage caused by natural disasters, the WBG is offering catastrophe-risk-financing products and advisory services tailored to provide relief for countries when they most need it. These include catastrophe bonds, catastrophe swaps, weather derivatives, and Catastrophe Risk Deferred Drawdown Options (Cat DDOs). Two complementary products and services are available to countries: (1) sovereign risk financing for direct budget support (to provide immediate liquidity should a disaster occur while other resources are being mobilized); and (2) advisory services to strengthen domestic property catastrophe insurance markets (to facilitate increased penetration of insurance in developing countries and access to re-insurance). Index-based agricultural insurance—to help farmers hedge against weather risk—has recently been extended. It is estimated that nearly 1 million farmers have benefited from such schemes since 2003.

The World Bank and IFC have successfully raised funds through capital markets by issuing "green bonds," which support dedicated projects or programs that finance low-carbon or climate-resilient development activities in client countries. Fixed-income investors are increasingly familiar with World Bank green bonds, which now support 26 climate change projects and pave the way for green bonds to become an asset class of choice for investors interested in climate change and sustainability issues. The WBG is also working with the P8, a group of the world's largest pension funds, to explore ways in which institutional financing can be directed to climate-friendly investment in emerging markets.

Collectively, the World Bank's carbon finance operations have catalyzed and fostered the development of a global carbon market under the Kyoto Protocol. However, there are growing demands from client countries to help countries get ready for the growing menu of climate products, including those offered on insurance and capital markets.

ACTION AREA 4: LEVERAGE PRIVATE SECTOR RESOURCES

The private sector is a major investor in renewable energy and energy efficiency worldwide and in developing countries. With adequate policies and incentives in place, it is expected to contribute the larger share of mitigation-related financing and a significant share of adaptation financing. Since several of the poorest countries do not hold a private sector capital base, the WBG could help countries attain the scale required for adequate climate action. The SFDCC agreed to

innovatively apply or package WBG instruments to reduce barriers to private investments, with IFC and MIGA taking a leading role.

Private sector plays a vital role. The commitment by developed countries to provide $100 billion annually by 2020 would include contributions from the private sector. Unlocking the substantial potential for private investment will require overcoming a range of barriers to investment. Engagement with the private sector will need to recognize different perspectives: institutional investors/pension funds, project developers, and financial intermediaries (FIs).

The World Bank Group response. IFC is seeking to enlarge its climate business from current levels of 14 percent to 20 percent of its long-term finance (and 10 percent of its trade finance) by 2015.

To better engage with the private sector, IFC established a Climate Business Group in fiscal 2011 for climate-related transactions and a new Climate Business Group Investment Team to focus on late-venture and growth-stage cleantech companies in emerging markets. A Climate Risk and Adaptation Program was also launched in 2008. Colombian port authorities recently committed to invest $30 million in adaptation measures as a result of joint work under this program, which has received national recognition as a guide and standard for private sector climate risk management.

Concessional investments and technical assistance grants aimed at climate change are managed by IFC's Financial Mechanisms for Sustainability Unit. A total of $700 million from the Global Environment Facility, the CIF, and the Canada Climate Change Fund have successfully leveraged over $3 billion in investment from IFC and third parties. IFC has also helped leverage private sector funds in the CIF's Clean Technology Fund (CTF) at a 1:3 leverage ratio, representing 30 percent (or $12.5 billion) of the total expected project financing. Despite these promising figures, private sector engagement in the CTF design phase has been uneven and has proven difficult for the Pilot Program for Climate Resilience.

Rapid growth in the use of WBG guarantees has helped support climate-friendly investments and mobilize private capital into countries and sectors with a high risk perception. IFC and MIGA are working with financial institutions to help strengthen capital and financial markets and reach out to smaller clients. Between fiscal 2008 and the first half of fiscal 2012, MIGA issued $402 million in new guarantees for a number of clean energy projects. These included guarantees for methane gas extraction and energy production in Rwanda; biofuel in Liberia; solid waste management and energy production in El Salvador; geothermal power in Kenya; and hydropower in Uganda.

ACTION AREA 5: SUPPORT ACCELERATED DEVELOPMENT AND DEPLOYMENT OF NEW TECHNOLOGIES

The WBG sees technological innovation as a key driver to lower emissions and build resilience to climate impacts. The SFDCC has proposed to continue to support the commercialization, scale up, and demonstration of clean technologies and related research and development.

The World Bank Group response. IFC has led WBG efforts to accelerate the development and deployment of new climate technologies through eight climate change funds and innovations in clean energy technology. A Solar Investment Strategy has been adopted, together with a Cleantech Investment Program for early-stage clean technology companies in developing countries.

The World Bank and IFC have jointly launched *info*Dev, a trust fund to support the establishment of a network of Climate Innovation Centers to accelerate locally relevant climate technologies (box 5). Climate Innovation Centers are being introduced in Ethiopia, India, Kenya, South Africa, and Vietnam, and other countries are seeking such support.

The CIF are supporting the deployment of new climate technologies such as, for example, concentrated solar power in Morocco. However, more needs to be done to address the gap in the scale of support required for new climate technologies from the R&D stage to commercialization, particularly for climate adaptation.

ACTION AREA 6: STEP UP POLICY RESEARCH, KNOWLEDGE, AND CAPACITY BUILDING

At the time of SFDCC approval, the WBG had already stepped up its analytical work on climate change across sectors and regions. The SFDCC committed to further scale up the knowledge agenda by building effective partnerships and capitalizing on synergies, with work being carried out inside and outside the WBG.

The World Bank Group response. Several key knowledge products have been delivered that have helped raise awareness of the costs and impacts of climate change. The 2010 *World Development Report* showed that a "climate-smart" world is possible if the world decides to "act now, act together, act differently." The subsequent *Economics of Adaptation to Climate Change* estimated global costs of $75 to $100 billion to adapt to a 2-degree warmer world over 2010–50. The recent Bank-UN report on the *Economics of Effective Risk Prevention* made the economic case for investing in ex ante risk reduction and disaster prevention.

BOX 5. *info*DEV AND INNOVATION IN CLIMATE TECHNOLOGIES

Through *info*Dev, the WBG is rolling out Climate Innovation Centers (CICs) in a number of countries, including Ethiopia, India, Kenya, South Africa, and Vietnam. The $15 million Kenya CIC is currently under implementation, with launch expected in early CY2012. The center will provide, among other services, proof of concept and seed financing, advisory services, market intelligence, policy support, and access to technical facilities. The center's priority sectors include off-grid renewables, water management and purification, micro-hydro, and technologies for adaptation. When operational, the Kenya CIC will fund up to 70 climate entrepreneurs, create up to 4,000 jobs in the first 5 years, and mitigate a projected 1.5 to 2 $MtCO_2$ over 10 years.

Implementation activities for Ethiopia and India CICs will begin in CY2012, and CIC business plans are being developed in Vietnam and South Africa. Future CIC development is scheduled for Morocco and the Caribbean in CY2012.

The WBG has developed a range of complementary products and tools to inform and implement climate change projects and policies. Examples include the Climate Change Knowledge Portal, which provides interactive climate-related spatial data sets and tools (box 6); the Climate Finance Options platform, which serves as a one-stop virtual knowledge center on climate finance sources; and the MACTool, which brings to the public domain a free, user-friendly, open-source tool to help countries build and master their own marginal abatement cost curves.

In 2009, the WBG also established global expert teams for disaster risk management and climate change adaptation to ensure that the best expertise (internal and external) is available to country teams and clients and deployed quickly and flexibly to the right problem. The subsequent appointment of a World Bank Fellow for climate adaptation in 2011 will help connect global expertise and world-class ideas in the science community to move research and dialogue on this issue forward.

In parallel, the World Bank Institute has scaled up engagement with developing country stakeholders on climate change, providing a range of services from e-learning to face-to-face exchanges such as the Mitigation Actions Implementation Network (MAIN), which delivers regional peer-to-peer learning on climate change. Social media—including blogs, Twitter, and multimedia—have become integral parts of the communication strategy, enabling the WBG to expand its reach on climate change to a younger and wider audience in a more interactive way.

Overall, the WBG has expanded its "footprint" as a generator, broker, and connector of knowledge. It is well positioned to push the frontiers of accessibility of products, tools, and services to its clients and others in an open and transparent manner.

4. WHERE WE ARE HEADED

Climate change is one of the multiple stressors that affect the environment and impact on income and welfare. Further, its impact is worsened by other environmental damages. Looking ahead, strategies to combat climate change have to account for the continued need for rapid growth in developing countries. In this context, the World Bank is now looking at climate change in a holistic manner, bringing together climate change efforts with work on growth and broader management of natural resources and pollution.

As climate change considerations have increasingly been mainstreamed into the WBG's business, SFDCC implementation has demonstrated what can be achieved with clients and partners through focused and comprehensive action. Yet the demand for WBG support continues to grow, and the sheer pace of change in tools and technologies requires continued ramping up of our capacity and effectiveness. Reaching scale, leverage, and impact will require knowledge to be built and shared, climate action "readiness" to be supported among clients, and innovative financing modalities to be developed.

CLIMATE READINESS

As countries develop Nationally Appropriate Mitigation Actions (NAMAs) and National Adaptation Plans (NAPs) in response to UNFCCC requirements, and put in place the supportive policies and programs for their implementation, more help is needed for readiness and the design of financeable investments.

Many developing countries face challenges in scaling up low-carbon, climate-resilient actions due to analytic and institutional capacity constraints, inadequate enabling policies and regulations, and a lack of baseline finance within the public and private sectors. No single solution is available because of large differences in country geophysical and terrestrial circumstances; exposure to climate impacts; and the mix of—and access to—energy resources and development progress. Tailored support is needed at a country level to develop a medium-to-long-term "bankable" project pipeline for financing from the Green Climate Fund and other sources. This needs to be complemented by coordination and collaboration among partners (south-north, south-south) on diagnostics, knowledge sharing, technology innovation and take-up, and innovative financing from multiple sources.

The WBG is, for these reasons, placing readiness at the heart of its support to clients on climate change. This responds to exponential growth in demand for support from all types of clients, exemplified by the more than 80 additional countries seeking support from the CIF alone (demand that cannot be met with existing CIF resources). With decades of experience in financing country development efforts and piloting climate action through dedicated instruments—such as the CIF, GFDRR, ESMAP, and the carbon finance portfolio—the WBG is well placed to further scale up readiness support for actions on adaptation and low-emissions development (LED), including landscape-based approaches.

BOX 6. CLIMATE RISK SCREENING

Achieving climate-resilient development is one of the special themes for IDA-16. Among other things, it requires the Bank to (a) include a discussion of climate change mitigation/adaptation in 100 percent of IDA CASs/CPSs; (b) analyze the climate impacts of projects in sensitive sectors; and (c) ensure they are consistent with country climate change strategies.

The WBG Climate Change Knowledge Portal (CCKP)* is a web-based tool that can assist in furthering the screening of the Bank portfolio of country strategies (sector, CASs) and in some cases at the project level to take better account of risks to development planning and implementation that arise from climate variability and climate change. In partnership with GFDRR, the CCKP has successfully supported risk assessment and upstream planning by providing rapid access to synthesis material—including national climate risk and adaptation profiles** and existing national planning documents such as national communications to the UNFCCC, NAPAs, Poverty Reduction Strategy Papers, and regional strategies—at different levels of aggregation. The CCKP is also part of the newest WB Open Climate Data Initiative, launched at COP-17 in South Africa. Through the Open Data Initiative, users will have improved access, synthesis, and usability of Bank-wide development data to support the design of risk management, adaptation, and mitigation actions. The CCKP is now moving to a more strategic and focused phase. It will seek to scale up efforts at the country level, but with greater attention to outreach dissemination and increasing user penetration, as well as wider partnership support.

* http://climateknowledgeportal.worldbank.org
** http://countryadaptationprofiles.gfdrr.org

To achieve these objectives, the WBG will enhance its operational and analytical capacity to leverage its adaptation and LED portfolio for the benefit of its client countries. The World Bank will scale up lending for clean energy by identifying additional capital for dedicated instruments, by strengthening the support that the Bank provides to relevant sectors through various advisory services, and by internalizing and replicating learning derived from climate finance instruments.

A number of readiness support instruments have been launched to support this objective. They include market mechanisms such as the Partnership for Market Readiness, the Carbon Initiative for Development (Ci-Dev), the Forest Carbon Partnership Facility, and the IFC Post-2012 Carbon Facility. Initiatives supporting clean energy include the SIDS-DOCK Fund for renewable energy and energy efficiency in the small-island states, ESMAP's ongoing engagement in low-carbon development planning, and *info*Dev's Climate Information Centers. More programs will be tailored to regional needs. In Africa, for example, a $63 million Investment Readiness Fund is under development, and an Early Action Program on Climate Smart Agriculture for Africa has recently been launched under the Comprehensive Africa Agriculture Development Program (CAADP).

A number of complementary readiness initiatives are emerging under the Rio+20 agenda, such as the focus on green growth, the Sustainable Energy for All Initiative, and the (re-)emerging focus on water, biodiversity, and natural capital accounting.

KNOWLEDGE

Reaching scale, leverage, and impact will require knowledge to be built and shared. To support this objective, the World Bank has created a new position within the Sustainable Development Network—a Knowledge Management Director—to advance the knowledge agenda, implement the knowledge strategy, and lead the coordination of sustainable development knowledge activities across the Bank.

Under the modernization agenda, the World Bank is committed to greater openness in its knowledge, operations, and partnerships. The Bank's new Open Access policy marks a significant shift in how Bank content is disseminated and shared. The Bank will now have an aggregated portal for research and knowledge products, where the metadata is curated, the content is discoverable and easily downloaded, and third parties are free to use, reuse, and build on it.

As climate change considerations are increasingly reflected in the Bank's portfolio, there is an urgent need for knowledge tools to understand and assess climate risk and integrate climate change information into decision making. Building on its role as a global connector, the World Bank has developed a Green Growth Knowledge Platform (GGKP) in partnership with OECD, UNEP, and the Global Green Growth Institute. While this covers more than climate change, climate change concerns are very much at the heart of the work that the platform will support. In particular, the goal is to establish a program on data and tools that will link with the Open Data Climate Initiative and includes the Climate Change Knowledge Portal and the Open Data for Resilience Initiative. It will additionally support development of a concept for an open platform of climate-smart development tools, data, and capacity support to help developing countries create viable plans for low-emissions, climate-resilient growth that are tailored to local needs, capacities, and challenges. The joint World Bank-UNDP Climate Finance Operations Platform[4] is another hub for information on sources of climate finance.

It remains a key role for the WBG in coming years to help support clients and all other relevant stakeholders climb a global learning curve for climate finance or country-led programs on climate action. For this, every knowledge exchange and communication tool will need to be used, including the WBI's e-institute platform,[5] the regionally based Mitigation Actions Implementation Networks,[6] south-south and

4 The CFO aims to improved access by policy makers and project leaders in developing countries to information on various sources of climate finance for making more informed decisions on mitigation and adaptation investments, and to develop an interactive south-south community of practice.

5 LED, energy efficiency, carbon markets, and so on.

6 This WBI initiative is already active in Latin America and the Caribbean, East Asia and Pacific. Plans are under way to expand to the Middle East and North Africa and Africa.

south-north exchanges, and using the reach of social media. The last few years have seen the success in reaching a global audience through blogs, Facebook, and Twitter. These will continue to be used extensively for sharing lessons from climate change projects that help build awareness on climate change impacts.

The World Bank also launched WAVES, a partnership to promote sustainable development by ensuring that national accounts used to measure and plan for economic growth include the value of natural capital. Incorporating natural capital in national income accounts will help support better decisions on issues that are a development priority for countries, including issues related to climate change such as renewable energy and water resources management. Under the partnership, for example, Botswana wants to understand the role of their coal reserves in a green economy and plans to create energy and water accounts to help determine the country's optimal energy mix, considering the costs and benefits of coal and the impact on already stressed water resources.

As adaptation becomes an imperative for our client countries, there will be increased demand for science-based work to assess ramifications of a 3 to 4+ degree Celsius warmer world. The Global Expert Team on Climate Change Adaptation is embarking on a strategic analytical study to understand what a warmer world means for development to help guide the WBG's operations. Stronger attention will also be given to integrating disaster risk reduction and climate adaption in WBG's policy and investment work, in line with the IPCC consensus that low-regrets measures for managing current disaster risks are starting points for addressing projected trends in exposure, vulnerability, and climate extremes. Building evidence on the impacts of climate change and creating proof of concept on climate action is becoming important for informing the UNFCCC negotiations. The WBG can play a vital role in this area in the next few years.

PARTNERSHIPS

The WBG is experiencing increasing demand to join, help forge, or lead new climate action coalitions. It is increasingly engaging in major joint initiatives with the UN system, other multilateral development banks, the OECD, civil society, and the private sector to widen our reach and service client demand. Examples of new partnerships are outlined below.

Within the UN framework, there are a number of strategic climate change partnerships. The World Bank has close working relations with the UN Secretary-General's High-Level Panel on Global Sustainability, as well as the UNSG's High-Level Panel on Sustainable Energy to advance the Sustainable Energy for All and UN-Energy Initiatives. In 2010 the WBG was actively engaged in the UNSG's High-Level Advisory Panel on Climate Finance, and subsequently on the same topic under the French presidency of the G20 in 2011 with the IMF, MDBs, OECD, and select UN agencies. At the level of the Chief Executives Board, the World Bank maintains regular interaction through the UN HLCP Working Group on Climate Change.

At an operational level, UNDP and the World Bank are partners on the Climate Finance Options (CFOs)

Platform. Pooling resources and delivering joint services has proven cost-effective and the modality could be replicated to provide access to other types of information, tools, and instruments. The World Bank and UNDP are also collaborating on the $25 million "SIDS DOCK" Support Program to help the small-island states "dock into" carbon markets and climate finance sources and develop renewable energy.

Outside the UN system, the World Bank is actively engaged with the G20 and B20 on climate finance, and with the G20 on energy subsidies, infrastructure financing, and green growth, among other issues. The WBG is engaged with other MDBs on the CIF, with MDBs and bilaterals in exchanging knowledge and practice on GHG accounting, and with the OECD-DAC and MDBs on tracking climate finance.

The WBG is also reaching out to non-traditional partners. For example, the World Bank has signed an MOU with the C40, a consortium of the 40 largest cities globally, to further the cities and climate change agenda. With the Organisation for Economic Co-operation and Development (OECD), the United Nations Environment Programme (UNEP), UN-Habitat, and the World Resources Institute (WRI), the WBG has supported the Global Protocol for Community-scale Greenhouse Gas Emissions. The protocol was released by ICLEI's Local Governments for Sustainability and the C40 Cities Climate Leadership Group to help cities around the world measure and report GHG emissions. The OECD, UNEP, and Global Green Growth Institute are working with the World Bank on the Green Growth Knowledge Platform.

On finance issues, the WBG is working with P8, a group of the world's largest pension funds, to explore ways in which institutional financing can be directed to climate-friendly investment in emerging markets. The Bank Group is also a partner in the San Georgio Group with Climate Policy Initiative (CPI), China Light & Power (CLP), and the Organisation for Economic Co-operation and Development (OECD). This new working group of key financial intermediaries and institutions is actively engaged in extracting lessons on effective green, low-emissions finance.

FINANCE

The WBG recognizes five immediate challenges to financing climate action, among others:

1. Operationalizing the Green Climate Fund (GCF) due to the extensive amount of work placed with the GCF Board and the Secretariat as mandated by the UNFCCC COP.
2. Delivering in full the $30 billion in fast-start finance by the end of 2012. About $22 billion is so far committed.
3. Avoiding a gap in financing after 2012 due to the need for an upward trajectory toward the target of $100 billion annually by 2020. A related challenge is the sourcing of these funds.
4. Ensuring legitimacy and adequacy of climate finance by building transparent frameworks for accounting, given the methodological complexity involved and the multifaceted nature of these flows.
5. Ensuring country readiness due to the relative absence of adequate enabling environments for investments, and instruments for leveraging with private sector and carbon market flows.

The WBG can play a major role in addressing these challenges due to its technical capacity across sectors and on an economy-wide basis, its pivotal role and experience with innovative development and climate finance, and its global reach and local presence.

The WBG remains fully committed to support the immediate operationalization and capitalization of the GCF. A substantial work program is being launched under the UNFCCC to advance this, and the WBG will support global efforts by sharing relevant expertise and experience. The WBG will continue serving as interim trustee to the Adaptation Fund, trustee to the GEFs dedicated climate funds, and potentially as interim trustee for the GCF.

To help address the risk of a financing gap after 2012, the WBG will scale up efforts to accelerate disbursement of dedicated climate and development finance instruments. The WBG will continue to maximize its convening power and market presence to (a) mobilize additional concessional and innovative finance, (b) facilitate the development of innovative market-based financing mechanisms, and (c) leverage private sector resources.

To drive leverage, scale, and impact, a particular effort will be invested to refine, develop, and execute financing instruments that attract the private sector. IFC expects to increase climate-related investments to at least 20 percent of its annual long-term commitments and 10 percent of its short-term commitments within three years—increasing its annual climate-related investments by more than 50 percent to about $3 billion. While domestic and international frameworks to advance carbon market solutions progressively solidify, the WBG continues to innovate and build readiness for future scaled-up markets, leveraging its decades-long experience on the ground.

The WBG will continue efforts to put capital markets to work. The variety of IBRD, MIGA, and IFC guarantee instruments can be further scaled up to strengthen capital and financial markets as an integral element of wholesale approaches to governments and the private sector. Efforts are also under way—for example, in the Latin America and Caribbean Region—to develop asset-backed green bonds, an innovative climate financing instrument. Drawing on the best expertise available, it is expected that this first-of-a-kind security will be launched in the international bond market by a Latin American energy company.

MEASURING PROGRESS

For the WBG going forward, important objectives include tracking progress in the delivery of finance (with climate cobenefits), the climate impacts of operations, and the achievement of climate outcomes.

A new Climate Coding System to track the climate (mitigation and adaptation) cobenefits of the Bank's portfolio will be made mandatory starting in fiscal 2013. The system provides detailed guidance to World Bank task teams to assess and record the share

7 The system does not measure/report the amount of avoided carbon emissions or increases in climate resilience. The shares for mitigation and adaptation are independent of each other and are made using a "without project" situation baseline.

of investments (dollars) that provide (a) direct climate adaptation benefits; and/or (b) direct climate mitigation benefits for each component of the project.[7] The new system will enable the Bank to report climate-related activities in a consistent and transparent manner across the entire portfolio. It is based on the OECD DAC Rio markers, which classify projects based on the overall objectives of the project.[8] The system has been developed in consultation with other MDBs and the OECD DAC Secretariat.[9]

A corporate commitment to better understand the GHG footprint of the WBG portfolio is articulated in the SFDCC. In February 2009, IFC began estimating GHG emissions for all new, real-sector projects.[10] IFC is now introducing methodologies for GHG emission reduction calculation for its climate-related projects. GHG analysis has been piloted in select energy, transport, and forestry sector projects at the World Bank. It is expected the GHG footprint of investments will become a business requirement for the World Bank starting January 2013 in select sectors, and will be introduced across the Bank over a period of two years. The purpose of this analysis is to understand the Bank's carbon footprint, help client countries seek and obtain concessional finance where GHG analysis suggests that there is scope for financial assistance, and learn from such analysis. It is not intended to guide project selection.

A two-track approach to climate change results measurement has been employed. In 2008, the SFDCC adopted an immediate set of actions to measure WBG progress over fiscal years 2009–11. An update on the status of these actions is provided in annex 2. It demonstrates the strong mainstreaming and scaling-up of actions that were envisaged to be undertaken on climate change when the SFDCC was prepared in 2008. A process was also initiated to develop a forward-looking results framework for climate change, included in annex 4. This results framework has been developed through a consultative exercise with all relevant sectors, drawing on indicators that are already in use to measure progress and performance. This will continue to evolve as improved measurement and data becomes available to track outcomes from the WBG's portfolio.

8 All assessments are carried out at the project subcomponent level, the lowest level for which costs are available.

9 Retroactive coding of all World Bank lending approved in fiscal 2011 shows that 25 percent of activities are expected to provide climate change cobenefits in over 60 countries; almost $7 billion in funding commitments support mitigation cobenefits; and over $2 billion support adaptation cobenefits, with a stronger focus on adaptation in IDA and mitigation in IBRD countries.

10 Not for financial intermediary or advisory services.

5. CONCLUSION

At the UNFCCC meeting in Durban in December 2011, governments decided that by 2015 they will arrive at a global agreement on climate change. The agreement will require all countries to combat climate change in accordance with the goals, principles, and means set out in the UNFCCC framework. The agreement would enter into force by 2020. Additional modalities to support climate action in developing countries will flow from this agreement, but it may take time to operationalize new instruments.

The WBG has successfully worked with clients and partners to mainstream climate considerations into the WBG's core business and strategies to reach impact on the ground. Yet this remains a make-or-break decade for climate action despite escalating levels of engagement within and outside the WBG. The window of opportunity to curb emissions, limit the rise in global temperatures, and build climate resilience among clients is closing. The looming gap in climate finance and lack of a legal framework in the near term will require voluntary action and leadership to accelerate efforts and maximize the use of existing instruments.

Countries are demonstrating firm commitment to a global transformation process but lack tailored tools, policies, capacity, and resources to enable green, clean, and resilient development at scale. They are concerned about (a) the development ramifications of increased climatic variability within sectors such as agricultural production, human and animal health, infrastructure, and urban development; (b) issues of energy, water and food security, and migration; and (c) the cost of delayed action and policy lock-in.

The urgency and scale of the challenge requires a continued learning-by-doing approach as we respond to the immediate needs and opportunities of our clients and prepare for longer-term transformation. The importance of sustaining strong diagnostics and knowledge management, and effectively applying achieved learning is fundamental to realizing this transformation.

The SFDCC has helped position the WBG at the forefront of knowledge generation, innovation, and financing for climate change. But more needs to be done. While adhering to its mission of promoting inclusive growth and poverty reduction, the WBG is committed to work with its public and private sector clients to support readiness efforts by scaling up financial innovation and building capacity to deliver transformational climate action that supports inclusive and sustainable development. In doing so, the WBG will place particular emphasis on strengthening adaptation mechanisms and partnerships with the private sector. The WBG will continue to support the exchange of best practice and knowledge with clients and partners and ensure full integration of learning across WBG tools and instruments. The WBG will measure progress through systems to track financial flows, impacts and the outcomes of climate support across its portfolio, retaining flexibility to adjust interventions as needed.

LIST OF ABBREVIATIONS AND ACRONYMS

AAA	analytical and advisory activities
ADB	Asian Development Bank
AF	Adaptation Fund
AFD	Agence Française de Développement
AFR	Africa Region
AGF	United Nations Secretary-General's High-Level Advisory Group on Climate Change Financing
ARD	Agriculture and Rural Development Department
AusAID	Australian Agency for International Development
BioCF	BioCarbon Fund
BRT	bus rapid transit
CAADP	Comprehensive African Agriculture Development Programme
CAS	country assistance strategy
Cat DDO	Catastrophe Deferred Drawdown Option
CCS	carbon capture and storage
CDM	Clean Development Mechanism
CEA	Country Environmental Assessment
CEET	carbon emissions estimator tool
CER	certified emission reduction
CFOs	climate finance options
CGIAR	Consultative Group on International Agricultural Research
Ci-Dev	Carbon Initiative for Development
CIC	Climate Innovation Center
CIF	Climate Investment Funds
CNG	compressed natural gas
CODE	Committee on Development Effectiveness
COP	Conference of Parties
CSP	concentrated solar power
CTF	Clean Technology Fund
DAC	Development Assistance Committee
DPL	Development Policy Loan
DPO	Development Policy Operation
DRM	Disaster Risk Management
EAP	East Asia and the Pacific Region
EC	European Commission
ECA	Europe and Central Asia Region
EE	energy efficiency
ENV	Environment Department
ERPA	Emission Reduction Purchase Agreement
ESMAP	Energy Sector Management Assistance Program
ESW	economic and sector work
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GCF	Green Climate Fund
GEF	Global Environment Facility

GFDRR	Global Facility for Disaster Reduction and Recovery
GHG	greenhouse gas
GIZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit
HCFC	hydrochlorofluorocarbon
IBRD	International Bank for Reconstruction and Development
ICT	information and communication technology
ICZM	integrated coastal zone management
IDA	International Development Association
IEA	International Energy Agency
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
KP	knowledge product
LAC	Latin America and the Caribbean
LCD	low-carbon development
LCR	Latin America and the Caribbean Region
LDCF	Least Developed Countries Fund
LED	low-emissions development
LULUCF	land use, land-use change, and forestry
MAC	marginal abatement cost
MAIN	Mitigation Action Implementation Network
MDB	multilateral development bank
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MENA	Middle East and North Africa
MIGA	Multilateral Investment Guarantee Agency
MNA	Middle East and North Africa Region
MOU	Memorandum of Understanding
MRV	measurement, reporting, and verification
NAMA	Nationally Appropriate Mitigation Action
NAP	National Adaptation Plan
NAPA	National Adaptation Programme of Action
NCCAP	National Climate Change Action Plan
NEPAD	New Partnership for Africa's Development
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPCS	operations policy and country services
PIN	project idea note
PMR	Partnership for Market Readiness
PoA	Programme of Activities
PPCR	Pilot Program for Climate Resilience
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	public-private partnership
PSIA	Poverty and Social Impact Analysis
RE	renewable energy

REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	Reducing Emissions from Deforestation and Forest Degradation, forest carbon stock conservation, sustainable management of forests, and enhancement of forest carbon stocks
SAR	South Asia Region
SCCF	Special Climate Change Fund
SCF	Strategic Climate Fund
SDV	Social Development Department
SIDS	small-island developing states
SIP	Strategic Investment Program
SLM	sustainable land management
SMEs	small and medium enterprises
SPCR	Strategic Program for Climate Resilience
SREP	Scaling Up Renewable Energy in Low-Income Countries Program
STAQ	regional sustainable transport and air quality
TA	technical assistance
TF	trust fund
TTL	task team leader
UN	United Nations
UNCSD	United Nations Conference on Sustainable Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
UNISDR	United Nations International Strategy for Disaster Reduction
VPU	vice presidential unit
WBG	World Bank Group
WBI	World Bank Institute
WDI	World Development Indicators
WDR	World Development Report
WHO	World Health Organization
WSP	Water and Sanitation Program

Note: All dollars are U.S. dollars unless otherwise indicated.

THE WORLD BANK

IFC International Finance Corporation
World Bank Group

MIGA World Bank Group
Multilateral Investment Guarantee Agency

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