

**Adapting to Climate Change: Assessing World Bank Group Experience
Phase III of the World Bank Group and Climate Change
and Draft Management Response**

Report to the Board of Executive Directors from the

Committee on Development Effectiveness*

Meeting of September 19, 2012

The Committee discussed the third and final volume of a series of assessments of the WBG's engagement on Climate Change entitled *Adapting to Climate Change: Assessing World Bank Group Experience – Phase III of the World Bank Group and Climate Change* (CODE2012-0038) and *Draft Management Response* (CODE2012-0043).

Members welcomed the evaluation as an important contribution and commended IEG and Management for collaborating in a very constructive manner. The Committee concurred with the evaluation's findings and recommendations and appreciated IEG and Management's general convergence of views. A few members noted that the report came too early to incorporate lessons from broader work that is still in the early stages, however most found the report to be timely, highlighting that the assessment provides a sound understanding of the challenges the WBG is facing in addressing adaptation to climate change. Members supported the Bank scaling up efforts in climate resilient development, and underscored the need to continue to take stock as the WBG moves forward in this direction.

Members agreed with the need to develop flexible guidelines on incorporating climate risk management, but cautioned that these should not create new conditionalities. Members also agreed on the importance of building a more results-oriented framework that provides guidance to support and enhance the learning process. Members supported piloting approaches to better assess the costs, benefits, sustainability and impacts of activities. While noting management's partial agreement on this recommendation, members discerned that the recommendation did not call for a traditional cost-benefit analysis, but rather observing and capturing knowledge/learning from projects to better understand costs/benefits and make more informed decisions. Members questioned if the Bank has the adequate skills, staff and budget to accomplish their goals. The Committee recognized that while management is looking at creative ways to assist partner countries navigate the complex climate financing landscape – especially low-income countries (LICs) – the Bank has limited resources and limited capacity and will have to work closely together with other partners to leverage resources. Members appreciated Management's comments about the challenges that small states are facing and welcomed the recommendation on prioritizing resilience measures in Sub-Saharan Africa and other LICs with poor adaptation systems and other vulnerabilities. Members also called for a further integration of the Bank's work on adaptation to climate change and disaster risk management, and for their continued mainstreaming in WBG operations. Members agreed that IFC's targeted approach and the creation of the Climate Risk Working Group were positive and forward looking solutions. Members noted the important role that IFC has in promoting and fostering adaptation measures and systems.

* This report is not an approved record.