

2025 Targets to Step Up Climate Action

Ahead of COP24, the WBG announced a major new set of climate targets for 2021-2025, doubling its current 5-year investments to around \$200 billion in support for countries to take ambitious climate action, with a strong focus on increasing adaptation; leveraging private sector finance and supporting increased systemic climate action at the country level.

- » The \$200 billion across the Group is made up of approximately \$100 billion in direct finance from the World Bank (IBRD/IDA), and approximately \$100 billion of combined direct finance from the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) and private capital mobilized by the World Bank Group.

Overall, this is a comprehensive package boosting efforts on five fronts:

- 1. Systematically increasing direct financing** (\$133 billion from the WBG as a whole, double the last five years), and **deepening climate mainstreaming throughout World Bank Group**. The latter includes expanding screening of projects for climate risks and building in appropriate risk mitigation measures, disclosing both gross and net greenhouse gas emissions, and applying a shadow carbon price for all material investments, and increasing the tracking of climate outcomes in WBG country partnership frameworks and financing).
- 2. Significantly increasing leverage of private finance** (\$67bn from WBG) and **creating markets for climate business**. This will focus on increasing the number and scope of activities that crowd-in private investments and create markets through scaled up policy and advisory support, complementary and enabling public investments, and use of de-risking instruments.
- 3. Boosting support for adaptation**. Direct adaptation financing will reach around \$50 billion over FY21-25, while helping countries to increase the range of financial instruments, including insurance and other contingent financing instruments, to scale up resilience, and to pilot approaches to crowd in additional private finance for resilience. Countries will be supported to mainstream adaptation and resilience into their development plans in a systematic fashion (both at the level of Ministries of Finance and Planning and sectoral ministries). WBG will also develop, in conjunction with partners, a new rating system to track and incentivize global progress towards building systemic resilience, to be piloted in FY19-20.
- 4. Increasing systemic impact in countries**. For example, WBG will support the integration of climate considerations into national policy planning, investment design, budgeting, public procurement and implementation and evaluation; and increase engagement with Ministries of Finance and Planning in the design and implementation of transformative low-carbon and climate-resilient policies. Together with the NDC Partnership, the WBG will support at least 20 countries to systematically implement and update their NDCs and support an increasing number of countries to develop integrated mid-century low carbon and climate resilient strategies.
- 5. Elevating climate actions in key sectors**. Some of the key indicative five-year targets include supporting the generation, integration, and enabling infrastructure for 36 GW of renewable energy, and supporting 1.5 million GWh-equivalent of energy savings through efficiency improvement; in cities, helping 100 cities achieve low-carbon and resilient urban planning and transit-oriented development; and in food and land use, increasing integrated landscape management in up to 50 countries, covering up to 120 million hectares of forests.

These 2025 targets build on the World Bank Group's 2016 Climate Change Action Plan.