



The World Bank's Experience: in Climate Finance

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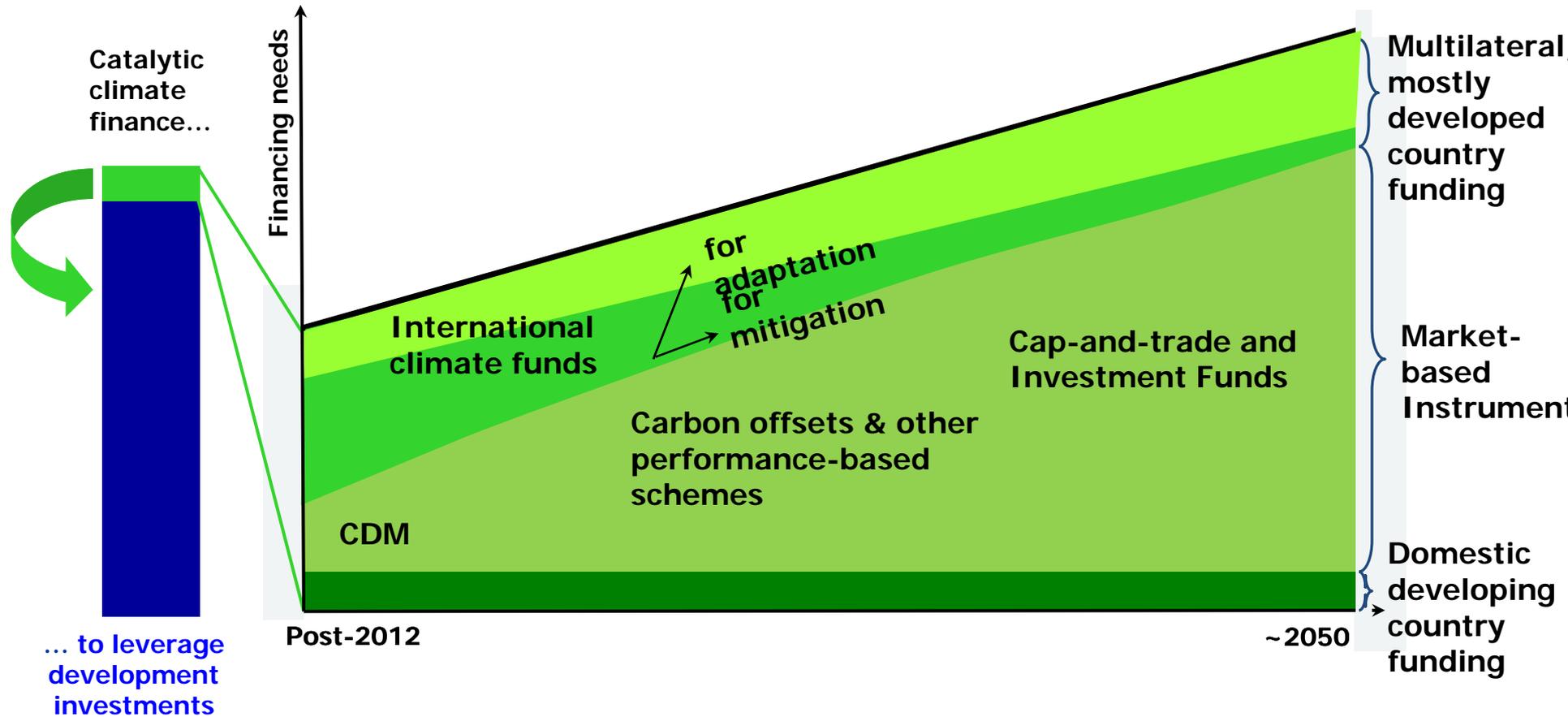


World Bank's Strategic Framework for Development and Climate Change (SFDCC)

Based on six action areas, each addressing both adaptation and mitigation:

- (1) Support climate actions in country-led development processes;
 - (2) Mobilize additional concessional and innovative finance;
 - (3) Facilitate the development of market-based financing mechanisms;
 - (4) Leverage private sector resources;
 - (5) Support accelerated development and deployment of new technologies; and
 - (6) Step-up policy research, knowledge and capacity building.
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Evolution of Climate Finance Needs and Mechanisms for Developing Countries



This is a stylized, illustrative picture, not intended to show the exact sizes of various mechanisms



The World Bank's carbon finance activities

An early market entrant and helped drive innovation

World Bank focus

Objectives

- ❑ Strengthen capacity of developing countries to benefit from carbon market
- ❑ Assist in building, sustaining & expanding carbon market
- ❑ Ensure CF contributes to sustain. development

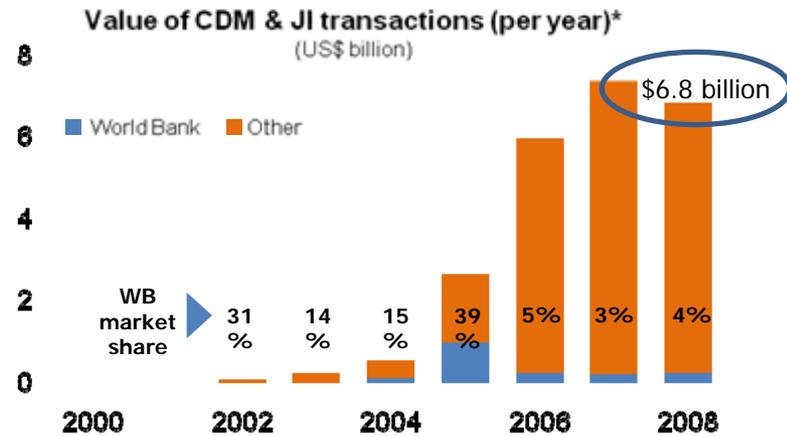
Means

- ❑ Pioneer: The Prototype Carbon Fund (2000)
- ❑ Learning-by-doing approach & diversification
- ❑ Model: create demand through carbon funds – and then originate projects
 - Often purchase post-2012 vintages
 - WB's environmental & social safeguards
- ❑ Investing in capacity building

Impact

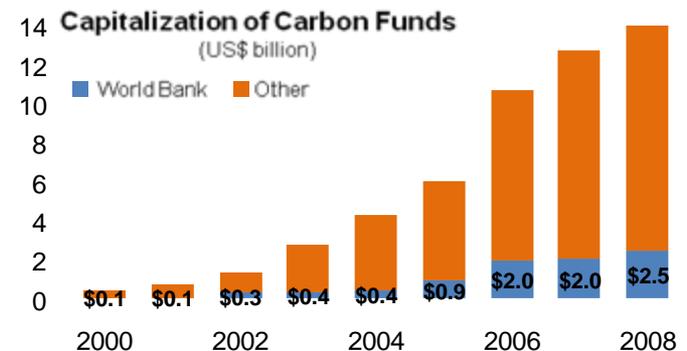
- ❑ Increasing carbon fund volume over time: from \$160 million in 2000 to ~\$2.5 billion now
 - 16 sovereign governments and 66 private sector participants from 3 continents
- ❑ Developer of – and contributor to – new methodologies

A catalyst for the CDM & JI primary market



*vintages up to 2012

Source: State and Trends of the Carbon Market (WB)



Source: ICF International

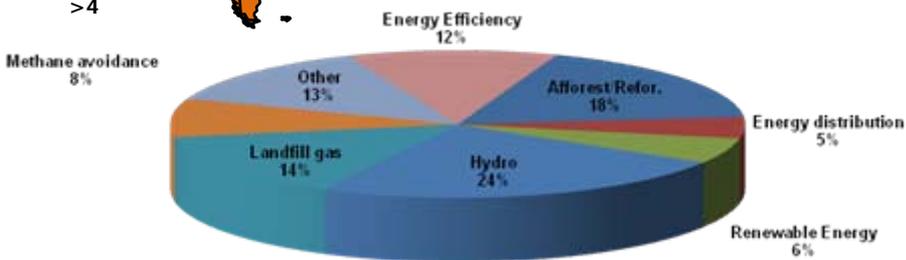
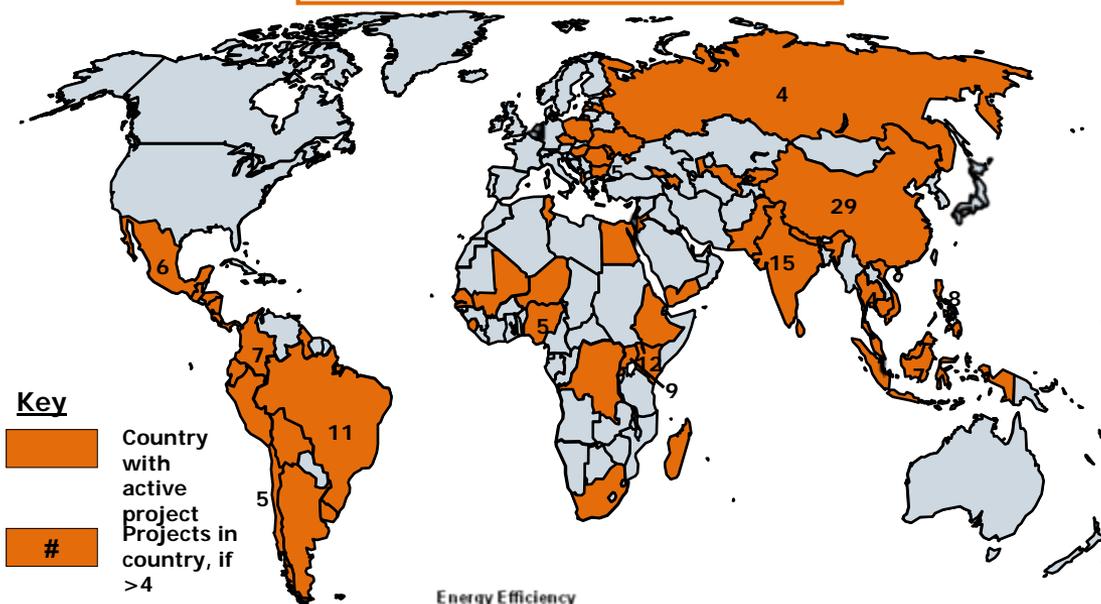


The World Bank's carbon finance portfolio

Currently consists of about 200 projects in 57 countries with diverse technologies

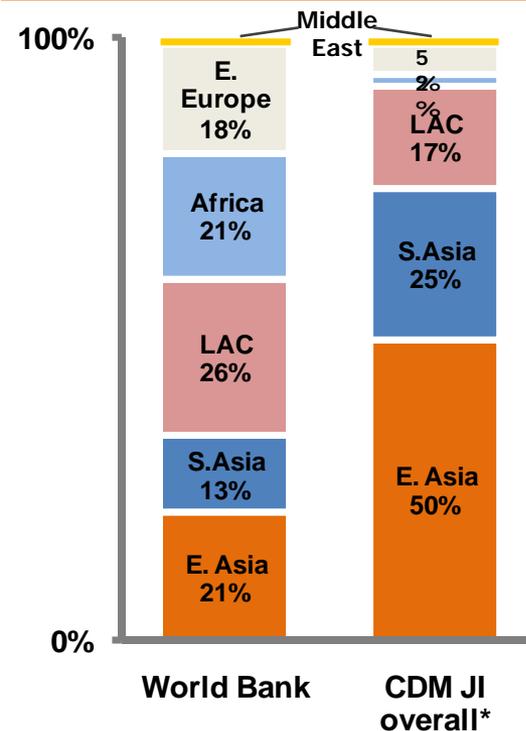
World Bank carbon finance portfolio – by country

World Bank active projects
n=212



Regional breakdown

Projects by region
WB n=212; CDM JI overall n=4,820



*Source: UNEP RISØ

Climate Investment Funds: Design and Operating Principles

CIF

- Partnership among Multilateral Development Banks (AfDB, ADB, EBRD, IDB, and WBG) to support mitigation and adaptation in a coherent and integrated way
- **Multi-stakeholder with balanced governance**
- Demonstrate scale and transformation
- Leverage public and private sector
- Complementarity with other partners at the country level
- Sunset clause

*exchange rates as of December 31, 2009

<i>Pledges to date</i>	<i>US\$M equiv.</i>
Australia	135
Canada	96
Denmark	25
France	292
Germany	792
Japan	1,200
Netherlands	78
Norway	184
Spain	115
Sweden	84
Switzerland	20
United Kingdom	1,296
United States	2,000
Total	\$6.3 billion

Clean Technology Fund

Finance scaled-up demonstration, deployment and transfer of *low carbon technologies*

Investment Plans

- Support country and regional development strategies
- Leverage financial products of Multilateral Development Banks
- Stimulate private sector engagement

±\$5 billion

Strategic Climate Fund

Targeted programs with dedicated funding to pilot new approaches with potential for scaling up

Pilot Program for Climate Resilience

Mainstream climate resilience into core development planning

Forest Investment Program

Reduce emissions from deforestation and forest degradation

Scaling Up Renewable Energy in Low Income Countries

Initiate transformational change by use of renewable energy

±\$1 billion



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