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REPORT JULY 2023

NEXT GENERATION COUNTRY PLATFORMS THE ROLE OF THE WORLD BANK GROUP

ENRIQUE MADEREEL, ERIN LANDY, SONIA DUNLOP





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E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

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ABBREVIATIONS

ADB	Asian Development Bank
AfDB	African Development Bank
CBT	Capacity Building and Training
CCAP	Climate Change Action Plan
CCDR	Country Climate Development Reports
CIF	Climate Investment Fund
CLR	Completion and Learning Review
COP	Conference of the Parties
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostic
CSO	Civil society organisation
DFI	Development finance institution
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ESMAP	Energy Sector Management Assistance Program
G7	Group of Seven: the seven largest advanced economies and liberal democracies
G20	Group of Twenty: the world's largest 19 economies and the EU
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
GRID	Green Resilient Inclusive Development
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IMF	International Monetary Fund
IPG	International Partners Group
KCP	Knowledge for Change Program
LIC	Low-income country
MDB	Multilateral development bank
MIC	Middle-income country
MIGA	Multilateral Investment Guarantee Agency
NDB	New Development Bank
NDC	Nationally determined contribution
PLR	Performance & Learning Review
SCD	Systematic Country Diagnostics
TCX	The Currency Exchange
V20	The Vulnerable Twenty
WBG	World Bank Group



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SUMMARY AND RECOMMENDATIONS

Summary

The World Bank Group (WBG) has embarked on an extensive reform process to enhance its effectiveness in addressing climate change and other global challenges. The Evolution Roadmap has set out a number of reforms, ranging from the Bank's mission statement to the overall operations and country engagement model. Systematic engagement with country platform approaches such as the Just Energy Transition Partnerships (JETPs) could be a way for the World Bank to take on a stronger role in driving climate action.

This report finds that the World Bank's country engagement model can form the basis for more systemic support for JETPs. A stronger role for the Bank in organising and scaling up JETPs and other country platforms can help countries in setting and financing ambitious climate goals, while addressing barriers to private finance mobilisation.

Moreover, the World Bank's Climate Change Action Plan (CCAP) has already set out a clear mandate for the Bank to coordinate and cooperate with other multilateral development banks (MDBs) and development partners. A systematic role in JETPs and country platforms can give shape to this mandate. The Bank has the expertise, capacity and convening power required to scale up the JETP model to new countries. The World Bank can work with partner governments and a broad range of stakeholders to support the development of ambitious mitigation and adaptation pathways. In doing so, the Bank can foster a stronger sense of ownership of and commitment to these climate-resilient pathways among partner governments and clients.

This report takes special interest in the recently developed Country Climate and Development Reports (CCDRs) and other diagnostics. The World Bank can play a role as a global knowledge partner that is separate from JETP donor and recipient countries. The Bank can use robust and inclusive diagnostics to support the development of JETPs and other country platforms that can tackle the multiple challenges the world is facing.



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We recommend that the World Bank formulate a vision in its Evolution Roadmap for how it could address global challenges through JETPs and country platforms. It can use its current reform process to consult and create consensus with its member countries in the Global South and North on how exactly the World Bank should support JETPs and other country platforms.

Recommendations

Recommendations for the World Bank Evolution Roadmap¹

We recommend that the World Bank shares a vision in its new Evolution Roadmap on the role it sees for itself in supporting JETPs and other country platforms. We specifically propose that the World Bank should incorporate the following:

- 1. Engage structurally in the development of JETPs and country platforms** – The WBG has a wide range of financial, advisory and knowledge tools as well as the expertise to significantly enhance future JETPs. This can be an important opportunity for the World Bank to address global challenges, at country level, in a joint approach with other MDB partners.
- 2. Develop joint-MDB just energy transition diagnostics** – The World Bank should build on its experience to initiate and deliver diagnostics aimed at countries that are exploring opportunities for a JETP, such as Brazil and Senegal. These diagnostics could provide input for negotiations and future investment plans, while outlining coordination opportunities for MDBs and development finance institutions (DFIs). In addition, such diagnostics could assess how the MDBs can coordinate their private sector mobilisation and analyse the different roles they can take in implementing the diagnostic recommendations based on their expertise. The World Bank could work with the current Country Diagnostic Working Group to initiate such joint-MDB diagnostics.
- 3. Support sharing of JETP and country platform experiences** – The World Bank can offer a “global” and multilateral platform to share best practices and lessons learnt between JETP countries and other Global South countries looking to accelerate their just energy transitions. Sharing experiences and lessons learnt can also take the form of a capacity building programme like the World Bank’s Knowledge for Change Program (KCP) for countries looking to take part in country platforms.

¹ For E3G’s response to the World Bank Evolution Roadmap, see E3G, July 2023, [E3G’s consultation response on the World Bank Evolution Roadmap](#)



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Recommendations for World Bank diagnostic tools

The following recommendations relating to the World Bank's diagnostics will allow it to further strengthen the Country Climate Development Reports (CCDRs) and other diagnostics to support climate action for example through JETPs and country platforms. We recommend that the World Bank's shareholders work with the Bank's diagnostics teams to:

4. **Prioritise renewable energy over fossil fuel expansion** – Diagnostics should not include recommendations that could support fossil fuel expansion or are otherwise not in line with the goals of the Paris Agreement.
5. **Prioritise countries that are updating Nationally Determined Contributions (NDCs) or that are receiving a new Country Partnership Framework (CPF) when planning CCDRs** – Developing CCDRs is a lengthy process, which requires a considerable amount of time and flexibility for consultations and analysis. If necessary, CPFs should be extended to provide the CCDR consultations with enough time to ensure a meaningful and inclusive process, and for CCDR recommendations to feed into CPFs or Green Resilient Inclusive Development (GRID).
6. **Improve transparency of stakeholder involvement in diagnostics and CPFs** – Provide specifics on how, for example, civil society organisations (CSOs), academics, private sector actors or other MDBs have been involved. Reflecting collaborations between DFIs and MDBs would also be highly valuable. For example, by specifying which partners have been involved in consultations or by summarising what their input was in the report.
7. **More explicitly reference ongoing JETP processes in CCDRs** – For example, the Vietnam CCDR recommends developing natural gas as a transition fuel, although this is currently not part of the JETP agreement.
8. **Take a more regional view in CCDRs** – CCDRs with a regional focus, such as for the Balkans and the Eastern Caribbean, could more strongly focus on regional integration, comparative advantages, cooperation for nature and biodiversity, and coordination on resource management.
9. **Publish a guidance note for CCDRs** – Similar to the guidance note for the preparation of Systematic Country Diagnostics, this note could outline minimum standards for stakeholder engagement and incorporate some of the recommendations in this list.
10. **Expand the scope of GRID and CPFs to include the role of philanthropies in supporting just transitions** – Philanthropies can play an important role in



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supporting and financing the implementation of JETPs and country platforms, especially in relation to civil society and enhancing social inclusivity. Philanthropies can support CSOs through funding and advice for their role in advocacy, critiquing and solution-building.

- 11. Expand the scope of diagnostics, GRID and CPFs to explore how sub-sovereign partners and private sector stakeholders can support climate action more systematically** – Sub-sovereign entities and private sector stakeholders such as the Glasgow Financial Alliance for Net Zero (GFANZ) can play an important role in the implementation and financing of transition plans and in social protection of communities affected by transitions.

Operational recommendations for the World Bank

The following recommendations relating to the World Bank's operations will allow it to further strengthen its country engagement to support climate action. We recommend that the World Bank's shareholders work with the Bank's operations teams to:

- 12. Define criteria to shorten and simplify loan approval processes** – The International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) could set up working groups with their main financial intermediary partners. Those could specifically explore what minimum project approval criteria would be feasible in the context of the transition plans these institutions develop as part of the new MDB Paris alignment methodology for indirect finance. Where possible this should be done in a harmonised approach with other MDBs. One suggestion would be to shorten loan approval procedures for projects that are part of country platforms or specific priorities in the Country Partnership Frameworks (CPFs) or Green Resilient Inclusive Development (GRID) framework. For example, in the case of renewable energy projects or for projects aimed at improving food security.
- 13. Incorporate lessons learnt into CPFs** – Explicitly refer in CPFs to the outcomes of Performance & Learning Reviews (PLRs) and Completion and Learning Reviews (CLRs) and reflect on the impact of previous projects and policy engagement in the context of CPFs.
- 14. Develop strategic action plans for just transition** – The World Bank can use the GRID approach to develop these with the governments of JETP or other country platform countries. The plans should prioritise sustainable job creation, education, social protection and inclusion of marginalised groups. In



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addition, they should be specific on how the World Bank aims to coordinate its just transition efforts with other MDBs and development partners.

15. Strengthen engagement with civil society and affected communities –

Particularly by ensuring that there is sufficient opportunity for CSOs to raise concerns, and by transparently communicating how the Bank will respond. This is particularly important in the initial phase of diagnostics such as the CCDRs in order to determine their scope and to identify concerns civil society might have around World Bank and other MDB projects.



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CHAPTER 1

CONTEXT

The World Bank Group (WBG)² has great potential to help deliver climate action through country and regional partnerships. With its experience, connections and resources, the WBG can significantly contribute to developing Just Energy Transition Partnerships (JETPs) and similar platforms. This report analyses the WBG’s potential role, and makes recommendations to strengthen its country-level climate ambitions.

At COP26, a landmark \$8.5 billion deal was struck with South Africa to scale up renewables, phase out coal and support a just transition.³ Since then, this “Just Energy Transition Partnership” (JETP) has been discussed as an example for future partnerships with other emerging economies.⁴ However, much is still undetermined about such partnerships and the role multilateral development banks (MDBs) can play.

The WBG can play an important role in bringing together other MDBs and partners to initiate joint efforts to address the climate crisis. It has decades of experience and relationships built up with its member countries,⁵ and has been a driver of development in low- and middle-income countries (LICs and MICs). Moreover, the WBG has the technical capacity, the financial firepower, country knowledge and convening power to make a significant contribution to the development of ambitious and concrete JETPs and other country platforms aimed at accelerating climate action and development.

² The WBG consists of five institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

³ European Council, July 2022, [G7 summit, Schloss Elmau, 26–28 June 2022](#)

⁴ Such as Vietnam, Indonesia and Senegal.

⁵ For a complete list of all member countries per WBG organisation, see The World Bank, [Member countries](#) (webpage, accessed July 2023).



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However, in recent years the World Bank has been criticised⁶ by some shareholders for a lack of “climate leadership” and for limited progress in aligning its investments and operations with the goals of the Paris Agreement.⁷ At the 2022 World Bank and IMF Annual Meetings, the Bank’s shareholders urged senior management⁸ to develop a roadmap that outlines how the WBG can be reformed to allow it to simultaneously address global challenges and development needs during what some have started to call a global “polycrisis”.⁹ In response, the WBG initiated an extensive reform process, providing the opportunity to develop a more proactive approach towards country platforms.¹⁰

JETPs and country platforms

Since the announcement of the South Africa JETP, there has been new and real momentum behind these types of country platforms.¹¹ JETPs are intended to be developed through a country-driven process, based on direct consultations between partner governments, financial institutions, the private sector, philanthropies, and a wide range of development partners. They offer new opportunities to support the energy transition of emerging economies by directly linking concessional or grant finance to sectoral strategies, project development and policy reforms, all while bringing together public, private and philanthropic investors.

A key factor in all this, is the high-level political support JETPs receive from partner governments. These country platforms have until now mainly been set up between G7 countries, represented in an “International Partners Group” (IPG),¹² and various Global South countries. In addition, private investors as represented by GFANZ play an important role in shaping and financing the recent

⁶ Financial Times, 5 June 2022, **US Treasury takes aim at World Bank over climate change inaction**

⁷ Big Shift Global, October 2022, **Investing in Climate Disaster: World Bank Finance for Fossil Fuels**.

⁸ See Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries), October 2022, **Statement by Ms Azucena Arbeleche, DC Chair, DC/S/2022-0069** for the full statement of the WBG’s Boards of Governors.

⁹ The Atlantic, July 2022, **A crisis historian has some bad news for us**; Eurodad, October 2022, **Analysis: World Bank and IMF failure to address the global polycrisis makes systemic reform even more urgent**. Sometimes also referred to as a “permacrisis”.

¹⁰ The World Bank, January 2023, **World Bank Group statement on Evolution Roadmap**

¹¹ Also referred to as “country packages” or “country platforms”, and which can be for the energy sector or for other sectors.

¹² Consisting of the European Union, the UK, France, Germany, the US, Italy, Canada, Japan, Norway and Denmark.



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JETPs. Recently, Vietnam¹³ and Indonesia¹⁴ signed their first JETP agreements, and established a framework aimed at phasing out coal and other fossil fuels. Similar JETPs are expected from Senegal, India and Nigeria in the near future. Other countries like Egypt and Kenya have also expressed their interest in future JETP-style partnerships.¹⁵

JETPs have initially been welcomed by some as a shift away from “vague global agreements” towards a process led by the recipient country.¹⁶ Others have expressed their hope that JETPs such as those for South Africa and Indonesia will become a blueprint for future country platforms,¹⁷ capable of attracting private development finance and philanthropy in a way that multilateral approaches have not been able to.

JETPs offer a new approach to mobilising climate and development finance that complements existing multilateral approaches. The added value is to more directly support recipient countries to develop ambitious Nationally Determined Contributions (NDCs) and investment plans, beyond what would be feasible in a multilateral context. On the other hand, this might mean that the balance between IPG and recipient could vary from JETP to JETP. There are currently few coordinating structures for recipient countries. MDBs can play a role in enhancing the negotiation process through evidence-based research and data, and by providing opportunities to coordinate ambitions and approaches between recipient countries.

The JETPs are still a work in progress, however. The exact roles, coordination and harmonisation between development actors are currently taking shape.¹⁸ There is no consensus yet on what the role of MDBs should be in the JETP process. In South Africa, the African Development Bank (AfDB) continues to provide technical assistance to the South African government throughout the JETP

¹³ European Commission, December 2022, [Political declaration on establishing the Just Energy Transition Partnership with Viet Nam](#)

¹⁴ European Commission, November 2022, [Joint statement by the government of the Republic of Indonesia and International Partners Group members on the Indonesia Just Energy Transition Plan](#)

¹⁵ In the case of Egypt, the EBRD’s support for Egypt’s National Hydrogen Strategy and the “strategic partnership” between the EU and Egypt has recently been referred to as an “unofficial JETP”. See European Commission, November 2022, [COP27: EU and Egypt step up cooperation on the clean energy transition](#) and European Bank for Reconstruction and Development, November 2022, [EBRD supports first green hydrogen facility in Egypt](#)

¹⁶ FP, November 2021, [South Africa’s coal deal is a new model for climate progress](#)

¹⁷ Bloomberg UK, May 2022, [South Africa seeks to make climate finance deal global benchmark](#)

¹⁸ ODI, June 2022, [Country platforms for climate action: something borrowed, something new?](#)



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process.¹⁹ The World Bank is currently developing a large energy sector project in line with the JETP.²⁰ Meanwhile, the European Investment Bank (EIB) and New Development Bank (NDB) pledged \$1 billion and \$3 billion respectively in concessional loans over the next five years, with the latter pledge being co-financed by AfDB.²¹ The Climate Investment Funds (CIFs), for their part, have taken up a role as JETP secretariat.²²

The JETP model is a recent example of a country platform. However, country or sectoral platform approaches are not new, and several MDBs including the World Bank have supported projects that are part of country platforms.²³ Potentially, the model could be extended to platforms that focus on adaptation, nature or other development issues.

The World Bank Evolution Roadmap

The World Bank Evolution Roadmap²⁴ sets out the process through which the WBG intends to make itself fit for purpose to address the multiple challenges the global community faces. The scope of the roadmap²⁵ is extensive, ranging from reviewing the World Bank's current mission, to assessing its operating model, country engagement and expansion of resources.

This report aims to contribute to this reform process by assessing the World Bank's "country-engagement model", and proposing a set of recommendations for the WBG that can feed into the Evolution Roadmap process and support the Bank in scaling up ambitious climate action through country platforms. In particular, it provides considerations regarding reform of the World Bank's operating model and country engagement.

¹⁹ African Development Bank Group, May 2022, **Joint statement of the Government of the Republic of South Africa and the African Development Bank in relation to South Africa's just energy transition process**

²⁰ The World Bank, October 2022, **Project information document – Eskom Just Energy Transition Project – P177398**

²¹ The Presidency, Republic of South Africa, November 2022, **South Africa's Just Energy Transition Investment Plan (JET IP) 2023–2027**

²² COP26 Presidency UK 2022, June 2022, **Six-month update on progress in advancing the Just Energy Transition Partnership (JETP)**

²³ World Bank Group, March 2022, **Country platforms in fragile states: A new path for development cooperation**

²⁴ World Bank Group, January 2023, **World Bank Group Evolution Roadmap (Evolving the World Bank Group's mission, operations, and resources: a roadmap)**

²⁵ E3G, in collaboration with The Center for Strategic and International Studies (CSIS), published a "shadow roadmap", which suggests actions for the Evolution Roadmap in the areas of vision, incentives, operations, and financial capacity: E3G & CSIS, December 2022, **A roadmap for World Bank Group evolution**



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The Evolution Roadmap provides several starting points for this report. It emphasises the importance of diagnostics and partnership frameworks to inform and prioritise country engagement,²⁶ and opens up space to explore what a deeper engagement might look like on a country, regional and global level.²⁷ Importantly, it suggests the WBG can provide “platforms for coordinated action on key global challenges”, which reads as an invitation to explore how the Bank might support JETPs and similar initiatives to accelerate climate mitigation and adaptation goals.

The World Bank Evolution Roadmap and the reforms that will result from it are key to the future success of the World Bank’s climate action and support for country platforms. Chapter 2 explores what the role of MDBs might be for JETPs and where the World Bank can support JETPs and other country platforms. Chapter 3 continues by looking in detail at how the World Bank’s operations and country engagement can be strengthened to support climate action through JETPs and other country platforms.

²⁶ Specifically in Section C, paragraphs 24 and 25 of the Evolution Roadmap.

²⁷ Section C, paragraph 29 of the Evolution Roadmap.



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CHAPTER 2

THE ROLE OF MDBS IN JETPS

Since the announcement of South Africa’s JETP, various countries have initiated their own JETP processes. This chapter details the common features of JETPs and their potential for accelerating energy transitions. While MDBs can contribute to JETPs and country platforms in a number of ways, the World Bank with its global scope, know-how and convening power has the potential to play a coordinating and enabling role in supporting JETPs.

Just Energy Transition Partnerships

Since the first momentum for JETPs in the wake of COP26, they have been widely discussed in the global climate finance community. The initial focus has been on South Africa’s case: the quality and quantity of public finance committed, private sector mobilisation, and how partners can best link ambitious transition strategies to justice. South Africa, Vietnam and Indonesia’s experiences provide insight into how JETPs might be further developed as a model for a coordinated approach between the Global North and Global South to support renewable energy expansions, sectoral transitions or adaptation packages. The role of MDBs should take into account the differences and similarities between JETPs.

Common features of JETPs

Future JETPs and other country platforms will likely take on varying forms. They need to be organised and implemented in line with country-specific mitigation and adaptation needs, and with the domestic political and governance landscape in mind. Despite these differences in terms of substance, the **process** of developing these JETPs might be more similar across countries and regions.

It is expected²⁸ that future JETPs will at least share the following common features:

²⁸ ODI, June 2022, [Country platforms for climate action: something borrowed, something new?](#)



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- > Developed based on high-level political agreements between a small group of countries in a country-led process, ensuring there is sufficient domestic and international political commitment to work towards the clean energy transition and transformational change needed.
 - > Take a programmatic approach, outlining the transition needs of specific sectors in a country or region and coupling this with concessional finance, technical assistance or grants²⁹ from actors involved with the JETP. Transition needs would specifically focus on ensuring a “just transition”, in addition to mitigation or adaptation goals.
 - > Specifically aim to bring in the private sector and philanthropic investors where possible, to increase the mobilisation potential of JETPs and to better support green economic transitions.

South Africa, Indonesia and Vietnam as pioneers

Besides common features, there are interesting differences between the South African JETP and the more recent Indonesian and Vietnamese deals, which might help to better understand how such partnerships may best be replicated in coming years.

It was initially unclear whether the \$8.5 billion pledged to South Africa would be new additional finance, or if it would represent a re-routing of existing climate finance. Although similar concerns existed in the case of Indonesia, the country pursued a clearer outlook on what type of projects would need to be developed and at what costs, before climate finance commitments are made.³⁰ In practice however, identifying projects and reforms proves to be a lengthy process and as such has not preceded the launch of the Indonesian JETP and its pledges.³¹ MDBs could potentially play an important role in this area, as they generally have a strong sense of potential pipeline development and associated costs in their countries of

²⁹ For more details on the type of finance, view the latest progress report: UN Climate Change Conference UK 2021, November 2022, [12-Month update on progress in advancing the Just Energy Transition Partnership \(JETP\)](#)

³⁰ Climate Home News, June 2022, [Indonesia is learning lessons from South Africa’s tough energy transition deal talks](#)

³¹ November 2022, [Joint statement by the Government of the Republic of Indonesia \(GOI\) and the Governments of Japan, the United States of America, Canada, Denmark, the European Union, the Federal Republic of Germany, the French Republic, Norway, the Republic of Italy, and the United Kingdom of Great Britain and Northern Ireland \(together the “International Partners Group” or IPG\)](#)



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operation, and the capacity to link this to ambitious energy transition strategies.

Another interesting difference is the inclusion of the Glasgow Financial Alliance for Net Zero (GFANZ) to identify barriers to private investment in Vietnam and Indonesia, and to advise through a private sector working group on reforms to address those barriers.³² If fruitful, a similar coordinated approach for public investment might be an important addition for future JETP processes, for example to identify how to shorten loan approval procedures, or to harmonise procurement standards.

The role of MDBs in overcoming JETP challenges

The first announced JETPs show promise and have a real potential to accelerate the transition towards low-carbon economies, and to support efforts to limit global warming to 1.5 °C while promoting social justice. Some of the biggest challenges around these country platforms lie in securing ambitious investment plans and coordinating their successful implementation. MDBs can significantly contribute to the success of JETPs in several ways.

Implementation and governance

MDBs can support governments in the development of ambitious NDC packages and sectoral transition strategies in line with the goals of the Paris Agreement. These can then form the basis for targets and milestones in JETP Investment Plans. MDBs already actively contribute to this in several ways, although in most cases these efforts are not designed to be directly translated into JETPs or country platforms:

1. Developing comprehensive diagnostics, which form the basis of understanding the recipient country's social and economic context and identifying opportunities for high-impact climate mitigation and adaptation programmes. Examples include the World Bank's new Country Climate Development Reports³³ (CCDRs) and EBRD's private sector diagnostics.³⁴

³² GFANZ, 14 December 2022, [GFANZ establishes working group to support capital mobilization for the Viet Nam Just Energy Transition Partnership](#)

³³ The World Bank, [Country Climate and Development Reports \(CCDRs\)](#) (webpage, accessed March 2023)

³⁴ European Bank for Reconstruction and Development, [Country diagnostics](#) (webpage, accessed March 2023)



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2. Helping to mitigate capacity constraints in recipient countries through capacity building programmes such as the World Bank’s Knowledge for Change programme (KCP)³⁵ or Asian Development Bank’s (ADB) Capacity Building and Training (CBT) activities.³⁶ Programmes such as the Energy Sector Management Assistance Program (ESMAP) were able to support in developing clean energy projects through advisory and analytics services while partnering with several MDBs.
 3. Offering a neutral platform to share best practices and lessons learnt between JETP countries and other Global South countries looking to accelerate their just energy transitions. This role is currently taken up by the IPG / MDB JETP Finance Working Group.³⁷
 4. Convening a broad range of stakeholders such as civil society organisations (CSOs), private sector investors and sub-sovereign lenders to ensure NDC packages and Investment Plans address the needs of affected communities. Inclusive and meaningful engagement with a broad range of stakeholders is essential for ensuring a just transition.

Paris alignment

Paris alignment is a crucial element in driving energy transition work within MDBs. Through their implementation of the joint MDB Framework for Paris alignment,³⁸ and the WBG’s implementation of its own Paris alignment methodologies,³⁹ MDBs can help the greening of key economic sectors and energy markets in a relatively harmonised way. The Paris alignment methodologies define the minimum mitigation and climate adaptation criteria that all directly and indirectly financed MDB projects should meet. If the upcoming Paris alignment methodologies are implemented well, they can help define the scope of projects under JETPs and country platforms through the use of robust tests for carbon lock-in and stranded assets. This would help ensure that these platforms target the expansion of renewable energy, rather than more carbon-intensive alternatives such as gas.

³⁵ The World Bank, **Knowledge for Change Program** (webpage, accessed March 2023)

³⁶ Asian Development Bank, April 2019, **Building development capacities in Asia and the Pacific: good practices and ways forward for ADBI’s capacity building programs**

³⁷ Climate Investment Funds, October 2022, **Indonesia (ACT) Investment Plan**, paragraph 68.

³⁸ MDBs, November 2021, **Joint MDB assessment framework for Paris alignment for direct investment operations**

³⁹ World Bank Group, May 2023, **The World Bank Group and Paris Alignment**



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JETPs and fossil fuels

As mentioned above, the main purpose of JETPs is to accelerate the energy transition. According to the Intergovernmental Panel on Climate Change (IPCC), vast reductions of greenhouse gas (GHG) emissions are urgently needed to limit global warming to 1.5 °C.⁴⁰ As such, JETPs must avoid incorporating fossil fuels in their investment plans. Rather, they should be aimed at expansion of renewable energy, energy market reform and private sector mobilisation for renewables.⁴¹

On the other hand, many countries face serious energy access and development challenges. Recognising this, some MDB actors such as the AfDB's president argue in favour of African countries to use gas as a transition fuel.⁴² Moreover, countries might also consider potential dependencies on other economies for expertise, finance, available raw materials, supply chains⁴³ and more.

Currently, gas is making its way into JETP investment plans.⁴⁴ Nigeria, a country known for its oil and gas reserves, is considering gas as a baseload transition fuel in its energy transition plan.⁴⁵ Senegal sees an important role for gas in achieving universal access to energy as part of its national strategy.⁴⁶ Meanwhile Indonesia considers the conversion of diesel power plants to gas part of its JETP.⁴⁷

MDBs can play an important role here to ensure that any investments in the energy sector are based on Paris alignment methodologies. In addition, MDBs can help explore the potential for renewables in specific countries through diagnostics or economic feasibility tests. To keep the goals of the Paris Agreement in sight, diagnostics should therefore primarily focus on the expansion of renewable energy when discussing the energy transition.

⁴⁰ Intergovernmental Panel on Climate Change, May 2022, **Climate Change 2022: Mitigation of Climate Change**

⁴¹ IISD, December 2022, **Just Energy Transition Partnerships: An opportunity to leapfrog from coal to clean energy**

⁴² Reuters, November 2022, **Africa deserves right to use natural gas reserves**

⁴³ International Energy Agency, July 2022, **The world needs more diverse solar panel supply chains to ensure a secure transition to net zero emissions**

⁴⁴ The African Climate Foundation, February 2023, **Taking the JETP path: Pushing for change**

⁴⁵ Integrated Africa Power, November 2022, **Just energy transitions and partnerships in Africa: A Nigeria case study**

⁴⁶ Enda Energie, November 2022, **Just energy transitions and partnerships in Africa: A Senegal case study**

⁴⁷ DInsights, February 2022, **Indonesia to build gas-fired power plants with JETP funds**



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Financing JETPs and country platforms

Financing the JETP investment plans is arguably one of the biggest challenges. The scale of finance required to transition from coal to renewable energy is enormous. South Africa's JETP investment plan estimates the costs between 2023 and 2027 at \$98.7 billion, over ten times the amount of public finance pledged by the IPG.⁴⁸ Moreover, this would not cover the total costs of South Africa's energy transition to 2050. The estimated costs for other JETP countries are similar or even higher, which indicates the large scale of investment needed. It is therefore clear that the JETPs can only be successful if they contribute to tapping into new sources of domestic and international finance, moving well beyond the existing sources of international climate and development finance. The pledged public finance then serves as a catalyst for further investment, notably from the private sector. As civil society highlights, the JETPs would benefit from the pledged public finance being additional to already existing development finance commitments.⁴⁹

MDBs can play a crucial role in de-risking investments while crowding in private resources. This can be done through innovative financing vehicles and various risk mitigation instruments, such as guarantees, equity or insurance. In addition, they can support countries by reducing currency risks⁵⁰ and private sector clients by providing local currency loans, for example in cooperation with The Currency Exchange Fund (TCX).⁵¹

The **quality** of finance is equally important. Global high levels of debt distress are reducing the ability of countries to absorb climate finance and develop institutional capacity.⁵² MDBs are among the top creditors for Global South countries and are expected to become the largest creditors for V20 members by 2028.⁵³

⁴⁸ Presidency Republic of South Africa, November 2022, **South Africa's Just Energy Transition Investment Plan (JET IP) 2023-2023**.

⁴⁹ Germanwatch, November 2022, **Principles for Just Energy Transition Partnerships in the African energy context**

⁵⁰ For a related proposal for a global currency fund see Niftys, July 2021, **A multilateral solution to hedging currency risk in developing country finance (policy maker brief)**

⁵¹ A number of MDBs already work with TCX to hedge currency risks, notably IFC, EBRD, EIB and IDB. See TCX website, <https://www.tcxfund.com> (accessed April 2023)

⁵² UNCTAD, October 2022, **UNCTAD warns of policy-induced global recession; inadequate financial support leaves developing countries exposed to cascading crises of debt, health and climate**

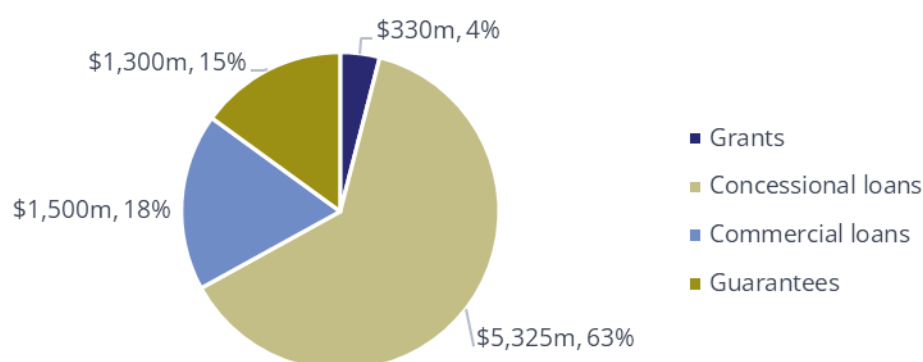
⁵³ OECD Development Matters, October 2022, **Why multilateral development banks must step up on debt relief**



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The IPG’s funding offer for South Africa’s JETP consists mainly of concessional finance and commercial loans, with less than 4% pledged in grants (Figure 1). Commercial loans are understandable when targeted at the private sector, considering that renewable energy is increasingly cost competitive. However, the large share of concessional finance raises questions whether the JETP would increase South Africa’s already high debt-to-GDP ratio.⁵⁴ MDBs and the IMF can help to assess the risk of contributing debt distress and propose mitigation actions, including through debt-for-nature swaps.⁵⁵

International Partners Group offer for South Africa’s JETP



Source: The Presidency, Republic of South Africa, November 2022, South Africa’s Just Energy Transition Investment Plan (JET IP)



Figure 1: IPG offer for South Africa’s JETP in \$millions. The offer consists mainly of concessional finance and commercial loans.

⁵⁴ CEIC, **South Africa government debt: % of GDP** (webpage, accessed July 2023)

⁵⁵ IMF, December 2022, **Swapping debt for climate or nature pledges can help fund resilience**



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Reflections on the role of the World Bank

Whether or not the World Bank or any MDB is involved in JETPs or country platforms is in first instance a decision of any country that wants to pursue a JETP or country platform. In addition, World Bank shareholders and particularly those that are part of the IPG can take the initiative for a stronger role for the World Bank. However, the World Bank should recognise its potential to support the creation and implementation of JETPs and country platforms, and share a vision for what role the Bank might play in JETPs and country platforms. This is especially relevant considering the new Evolution Roadmap seeks to expand the Bank's focus to include global challenges. JETPs and country platforms are a potential vehicle to address these challenges.

JETPs are still at an early stage in their development, and it is therefore too early to tell if they will be able to help countries achieve their energy ambitions. Nevertheless, the World Bank can play an important role together with other MDBs in supporting the energy transition through JETPs. As a knowledge partner, the World Bank could contribute to the development of credible investment plans while identifying transition pathways and bankable projects.

In addition, JETPs could greatly benefit from the World Bank as a coordinating partner. Coordination on JETPs – a global phenomenon – would require an organisation that can represent the global community and enjoys high-level political support. The World Bank, as a pre-eminent and global MDB, is well placed to provide a “neutral” platform of coordination between Global North and South through which the experiences and lessons learnt on JETPs can be shared. Other MDBs could also play this role however, possibly in a coordinated approach. Moreover, through the Bank's convening power it can bring together a wide range of public and private stakeholders through its country-engagement model. As a knowledge partner, it can use its diagnostics and advisory services to provide the basis for future country platforms and JETPs. These can highlight crucial mitigation and/or adaptation priorities in each region, as well as the implications of transition plans for affected communities and labour.

Although the current JETPs primarily centre on accelerating coal phase-out in MICs with high GHG emissions, the World Bank operations cover a much broader range of countries, and its role goes well beyond addressing mitigation challenges. However, other forms of climate action can equally be supported through similar “JETP models”. For example, in the form of an “adaptation” JETP, or a country platform focused on enhancing disaster preparedness. This would



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allow the World Bank to address the “polycrisis” in a coordinated approach with other MDBs, and a wide range of development and private sector stakeholders. JETPs and other country platforms provide an opportunity for the World Bank to contribute to solving global challenges in a way that works with client countries while reducing poverty and promoting shared prosperity.

Recommendations

- > The WBG, together with other MDBs, should structurally engage in the development of JETPs and other country platforms. It has a wide range of financial, advisory and knowledge tools as well as the expertise to significantly enhance future JETPs. It can also play a role in ensuring the institutional memory is carried over from one JETP to another. This can be an important opportunity for the World Bank to address global challenges in a joint approach with other MDB partners.
- > The World Bank can offer a “neutral” multilateral platform to share best practices and lessons learnt between JETP countries and other Global South countries looking to accelerate their just energy transitions. Sharing of experiences and lessons learnt can also take the form of a capacity building programme like the World Bank’s Knowledge for Change Program (KCP) for countries looking to take part in country platforms.



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CHAPTER 3

POLICIES, STRATEGIES AND TOOLS

The WBG is governed through a multitude of policies, strategies and tools. The internal processes related to the World Bank’s participation and development of country platforms for climate and development, such as diagnostics and country partnership frameworks, provide a starting point to shape the World Bank’s support for JETPs and other country platforms.

General approach, strengths and guiding principles

The main WBG strategies demonstrate how the Bank is an ideal candidate to coordinate country level climate action on a global scale.

The WBG’s corporate strategy describes the World Bank’s main strengths as a “global multilateral organisation” capable of globally sharing technical knowledge through its long-standing regional presence. It emphasises the WBG’s expertise on policy dialogue and supporting economic development through long-term structural reforms.⁵⁶ Moreover, the strategy presents actively seeking out partnerships with other MDBs, the IMF, UN, civil society, and bilateral development institutions as one of the core values and roles of the WBG within the international financial architecture.

In addition, the World Bank’s Climate Change Action Plan 2021–2025 (CCAP)⁵⁷ emphasises the nexus between development goals and climate change. It builds on earlier efforts to mainstream climate in WBG operations and supports the alignment of investments with the goals of the Paris Agreement. It also mentions the WBG will support the development of country platforms through its advisory work. Although the World Bank has been criticised by civil society for a lack of

⁵⁶ Despite this characterisation in the World Bank’s own strategy, institutions like the World Bank and IMF are by some, considered to be biased in favour of global north shareholders, and less so for the most vulnerable countries and communities. See UN Press, June 2023, **Global Financial Architecture Has Failed Mission to Provide Developing Countries with Safety Net**

⁵⁷ The World Bank, June 2021, **World Bank Group Climate Change Action Plan 2021–2025: Supporting green, resilient, and inclusive development**

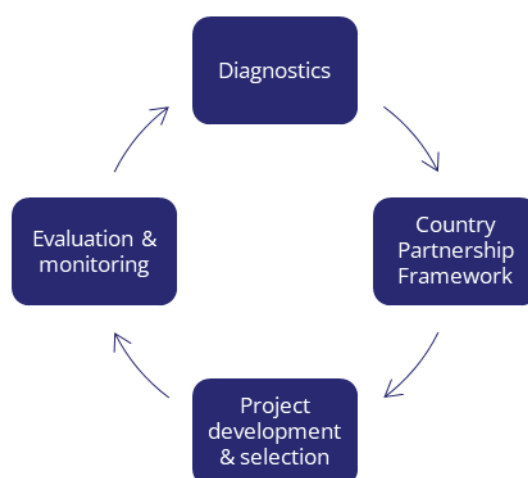


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climate action and transparency, the CCAP remains an important guideline for the WBG’s climate action. In particular, through formulating the priorities and principles that inform the Bank’s operations and engagement with clients. Cooperation with other development banks, financial institutions and the private sector is presented as one of the Bank’s three “fundamental principles”. The CCAP specifically calls for the WBG to show climate leadership, engage in partnerships and advocacy, and to work with the private sector to enable the “greening of whole economies”.⁵⁸ In this context, the CCAP introduces the Country Climate and Development Reports (CCDRs) as a new diagnostics tool to identify the impacts of climate change on a country’s overall development goals, while exploring options and priorities for countries to achieve their development targets.⁵⁹

In practice, the success of the corporate strategy and CCAP depends heavily on their implementation and on the World Bank’s ability to mainstream climate into its operations and country engagement model (Figure 2).

World Bank Group country engagement model



Source: World Bank Group, 2014, Directive on country engagement



Figure 2: A schematic representation of the World Bank’s country engagement model

⁵⁸ The World Bank, June 2021, **World Bank Group Climate Change Action Plan 2021–2025: Supporting green, resilient, and inclusive development**, page 5.

⁵⁹ At time of writing, 22 CCDRs have been published. The WBG intends to develop CCDRs for each of its members over the course of four years.



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Country Climate and Development Reports

The CCDRs⁶⁰ are an important and welcome addition to the World Bank’s toolset for a number of reasons.

First, they directly address and challenge the notion that (economic) development and climate action are at odds with each other. The reports contain detailed analyses on the effect of climate change on development. For example, by demonstrating the effects of decreased air pollution on healthcare in Türkiye,⁶¹ or analysing the impact of climate change on Vietnam’s productive capital.⁶² In general, the CCDRs approach climate impacts on a sector-by-sector basis, to give a more concrete understanding of macroeconomic implications than other models or GDP loss would indicate.

Mainstreaming climate through CCDRs

World Bank staff approach CCDRs not only as a diagnostics tool, but also as a process that helps to mainstream climate in the Bank’s operations. The reports are developed by climate change (policy) experts together with economists, who are normally less involved with climate change and its impacts. By bringing together different teams that normally do not directly interact with each other, expertise is developed and shared widely.

Moreover, the reports are meant to feed into and inform all the World Bank’s frameworks, strategies and diagnostics. As such, the CCDR development process can be considered as a tool to better integrate climate considerations across the World Bank.

Second, CCDRs help countries to develop better strategies and pathways for mitigation and adaptation. For instance, the Vietnamese CCDR contains five “priority policy packages”, which are meant to form the basis of future development projects and programmes.⁶³ These strategies and priorities are

⁶⁰ This is a first analysis of the CCDRs, based on the first reports that were released in 2022. Another 25 reports are planned for 2023.

⁶¹ World Bank Group, June 2022, **Türkiye Country Climate and Development Report**

⁶² World Bank Group, July 2022, **Vietnam Country Climate and Development Report**

⁶³ Interesting quote in this context on page 70 of the Vietnamese CCDR: “There is no dearth of strategies and action plans in the country, but what seems to be missing is the need to progress from ‘what to do’ to ‘how to do it’. The CCDR takes a step in this direction, identifying clear priorities that now need to be implemented.”



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explicitly developed to enhance the most recent climate and environmental commitments of each country.

In this context it is interesting to note that some CCDRs, such as those for Türkiye and Vietnam, explicitly call on governments to update their NDCs to bring them in line with the goals of the Paris Agreement or other commitments. On the other hand, for some countries that have recently updated their NDCs, such as Argentina⁶⁴ and Egypt,⁶⁵ there is no assessment of whether the updated NDCs are by themselves sufficient to limit warming to 1.5 °C. However, even in these cases the CCDRs call for increased ambition in specific areas, such as decarbonisation pathways in the case of Egypt, Pakistan⁶⁶ or Bangladesh.⁶⁷

Third, the CCDRs can give additional insight into investment needs and financing opportunities. For instance, the Philippines CCDR provides an overview of the estimated costs of its accelerated decarbonisation scenario and proposes a moderate carbon price and ESG bonds as means to finance climate action.⁶⁸

CCDR synthesis report

The World Bank reviewed the first CCDRs and initial findings in its synthesis report.⁶⁹ The main conclusions support the notion that meeting ambitious climate objectives is essential to supporting economic development. Financing climate action is therefore not at odds with the World Bank's twin goals to reduce poverty and share prosperity; it is an essential part of them.

The report further stresses that CCDRs can be used as an analytical basis for country-owned strategies and investment plans. Their role in that context is limited to identifying potential pathways. Transforming these insights into investment plans, strategies and project pipelines takes place as part of partnership frameworks and project development.

⁶⁴ World Bank Group, November 2022, [Argentina Country Climate and Development Report](#)

⁶⁵ World Bank Group, November 2022, [Egypt Country Climate and Development Report](#)

⁶⁶ World Bank Group, November 2022, [Pakistan Country Climate and Development Report](#)

⁶⁷ World Bank Group, October 2022, [Bangladesh Country Climate and Development Report](#)

⁶⁸ World Bank Group, November 2022, [Philippines Country Climate and Development Report](#). The estimated costs are detailed in Appendix B.

⁶⁹ World Bank Group, November 2022, [Climate and development: An agenda for action](#)



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Other World Bank diagnostics

Besides the new CCDRs, the WBG uses a wide range of diagnostic tools and other reports to understand and assess countries and their development.⁷⁰ The primary one is the Systematic Country Diagnostic (SCD), whose main purpose is to provide insights into a country's economic development with a focus on poverty reduction and shared prosperity.⁷¹

SCDs share many similarities with CCDRs. Both use similar approaches, engage with similar stakeholders and are developed through long-term dialogue with governments. Both identify priorities and policy recommendations, and in turn, inform the Country Partnership Frameworks.⁷²

An important difference is that SCDs are primarily focused on poverty reduction and understanding general levels of economic development and barriers to growth. They therefore often look at countries from a higher level of abstraction than other diagnostics. For instance, an SCD might say something about levels of education, employment, or gender inequality, which fall outside the scope of CCDRs. As such, CCDRs tend to provide more detail on specific sectors compared to SCDs.

SCDs and CCDRs are meant to complement each other. For example, country-level analyses on employment, inequalities and education covered by SCDs can be complemented by sectoral analyses from the CCDRs. As such, both instruments can support governments and policy makers to better understand the impacts of sectoral transition pathways and help design strategies for a just transition. This is an especially important function of diagnostics regarding JETPs and other country platforms.

Another important type of diagnostic is the Country Private Sector Diagnostic (CPSD), which is mainly developed by IFC. CPSDs assess the private sector in a specific country and identify opportunities and barriers to private sector development. As with the other diagnostics, the CPSDs' recommendations are meant to feed into Country Partnership Frameworks and inform WBG project development and selection.

⁷⁰ Reports such as the World Bank Group, **Worldwide Governance Indicators 2022**, which outlines governance indicators for over 200 countries and territories.

⁷¹ World Bank Group, July 2021, **Systematic Country Diagnostic (guidance)**

⁷² World Bank Group, June 2021, **World Bank Group climate change action plan 2021–2025: Supporting green, resilient, and inclusive development**, page 12.



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Country Diagnostic Working Group⁷³

Since 2017, the EBRD, EIB, WBG, DFID and Sida work together in a Country Diagnostic Working Group. The group shares information and experience across institutions and facilitates cross-institutional collaboration on country diagnostics work. In recent years additional MDBs and other international organisations such as AfDB, ADB, USAID and OECD have joined the working group.

There are examples of joint-MDB country diagnostics, such as a private sector development report for Morocco, produced by EIB, EBRD and AfDB,⁷⁴ and a joint EIB–EBRD country diagnostic for Georgia.⁷⁵

Reflections on CCDRs and diagnostics

The CCDRs are the first series of country diagnostics to provide an in-depth analysis of the relationship between climate and development. As such, they can be considered a best practice among MDB country diagnostics. They hold a lot of potential for mainstreaming climate and for driving climate ambition at country level. The CCDRs are an important step in changing the WBG’s paradigm to view climate as an essential part of achieving its twin goals of reducing poverty and promoting shared prosperity. They are not only useful for the World Bank, but for all development partners in a region, and play an important role in mainstreaming climate within the WBG operations.

The success of these and future CCDRs depends on how well the World Bank can achieve an inclusive process for all relevant stakeholders, including civil society and the private sector, and whether this will lead to a sense of ownership of the proposed priorities and strategies. The extent to which CCDRs will be able to feed into CPFs, and eventually lead to projects, will determine their success.

We have the following reflections regarding the role of CCDRs and other diagnostics in JETPs and country platforms:

⁷³ The working group hosts a database with diagnostics here: <https://countrydiagnostics.com> (webpage, accessed April 2023)

⁷⁴ AfDB, EBRD and EIB, September 2021, [Private sector development in Morocco](#)

⁷⁵ EIB and EBRD, October 2021, [Georgia country diagnostic](#)



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- > CCDRs are primarily written to help countries identify and prioritise high-impact climate action while working towards sustainable development. As such, their scope and approach are determined with this purpose in mind. Although the CCDRs provide important insights for countries pursuing JETPs or other country platforms, the reports are not designed to directly feed into JETP investment plans. Those would for example require a more in-depth analysis of decarbonisation opportunities and consultation would have to include a different set of stakeholders.
 - > The insights from CCDRs should feed into other diagnostics, but the CCDR process should remain separate from other diagnostics such as the SCDs and CPSDs. Unlike the SCDs, CCDRs often contain statements or reflections on a country's climate commitments which means that they are more likely than SCDs to become politicised. It is useful to keep these processes separate: the SCD as a report on general economic development where climate change is part of the context, and the CCDR as a report containing a set of options for high-impact climate mitigation and/or adaptation.
 - > CCDRs officially only reflect the World Bank's views, but they are in part the result of dialogue with governments and other stakeholders. Ideally, countries and communities experience a sense of ownership of the priorities identified in the reports and are willing to develop and implement policies in line with the diagnostics. This means that the reports have to strike a balance on climate ambition, taking a country's own commitments and capacity as a starting point. This also means that providing meaningful consultations are a crucial aspect of diagnostics.
 - > Although the CCDRs contain recommendations for climate action, the World Bank intends these reports primarily as a set of options to achieve the objectives that countries have set for themselves, prioritised according to their relative urgency. The CCDRs are not intended as directly prescriptive documents but are meant to feed into Country Partnership Frameworks and other programmes, which by their nature are designed to be prescriptive.
 - > Diagnostics can function as a first step for countries to explore opportunities for JETPs or other country platforms. The initiative for this would lie with the country. JETPs and other country platforms can benefit from insights from all three diagnostics. They are especially useful in putting sectoral transition into a broader context, and in providing insight into the impact such transition might have on people.



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- > Some of the CCDRs take a regional approach, for example for the Eastern Caribbean or the G5 Sahel.⁷⁶ Despite their regional set-up, their approach remains very similar to country-specific diagnostics.

Recommendations for CCDRs

- > The CCDRs could more explicitly reference the ongoing JETP processes for some of its countries and align recommendations with the JETP framework where possible. For example, the Vietnam CCDR recommends developing natural gas to power as a transition fuel, although this is currently not part of the JETP agreement.
- > CCDRs with a regional focus could more strongly focus on regional integration, comparative advantages or cooperation for nature and biodiversity, as well as explore coordination on resource management.
- > The World Bank should produce and publish a guidance note for CCDRs, similar to the guidance for the preparation of Systematic Country Diagnostics. This note could outline minimum standards for stakeholder engagement and incorporate some of the recommendations in this report.
- > Developing CCDRs is a lengthy process, which requires a considerable amount of time and flexibility for consultations and analysis. We recommend that when planning which country will receive a CCDR, countries that are updating their NDCs or that will receive a new Country Partnership Framework (CPF) are prioritised. If necessary, CPFs should be extended to provide the CCDR consultations with enough time to ensure a meaningful and inclusive process, and for CCDR recommendations to feed into CPFs or GRID (see following sections).

⁷⁶ World Bank Group, July 2022, **G5 Sahel Region Country Climate and Development Report**



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Frameworks: Country Partnership Frameworks and GRID

Country Partnership Frameworks

CPFs⁷⁷ are frameworks for the World Bank’s partnership with a specific country for a period of four to six years. CPFs translate the insights from diagnostics, and in doing so identify development objectives and demonstrate how these align with a country’s own strategies. They are based on dialogue with a broad range of stakeholders, including governments and development partners. This is similar to the process around diagnostics. This means that in practice, the WBG will remain in continuous dialogue with countries and stakeholders, either for diagnostics, or for designing new CPFs. Finally, the frameworks describe how the objectives should inform WBG activities in a specific country and then link to a results framework.

CPFs are continuously monitored and reviewed. Every two years the WBG develops a “Performance & Learning Review” (PLR), which tracks the progress made towards the goals and objectives laid down in a CPF. PLRs are made available publicly⁷⁸ and include a national consultation process. PLRs can introduce adjustments to ongoing CPFs, make updates to the results framework, or extend the CPF period. After the CPF period is over, the framework and achievements are reviewed through a Completion & Learning Review (CLR). This is done to ensure that lessons learnt are taken up in the development of future CPFs.

The WBG supports the harmonisation of its country level work through the “Outlook 2050” initiative.⁷⁹ Its aim is to support the alignment of five-year climate (mitigation) plans within long-term regional or country plans. Decarbonisation pathways are approached through analysis of 11 key sectors, involving the SCD advisory group to ensure the Outlook 2050 goals are aligned with specific CPFs. It would be interesting to explore if this group could be extended to include the CCDR teams.

⁷⁷ World Bank Group, July 2014, [Directive on country engagement](#)

⁷⁸ See for example the Vietnamese PLR: World Bank Group, April 2019, [Vietnam – Performance and Learning Review of the Country Partnership Framework for the period FY19–FY22](#)

⁷⁹ World Bank Group, May 2020, [World Bank Outlook 2050: Strategic directions note](#)



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Green, Resilient and Inclusive Development

Another important World Bank framework is the Green, Resilient and Inclusive Development approach (GRID). GRID was set up by International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) as a framework to directly link its COVID-19 support to inclusive and sustainable development. The framework explicitly recognises that global challenges such as pandemic preparedness, climate mitigation and sustainable job creation require a systematic long-term approach.

“The challenges brought about by COVID-19 and climate change are interrelated, and thus need to be addressed simultaneously and systematically. [...] Tackling climate change and addressing poverty can only be achieved together – neither will be achieved on its own.”⁸⁰

GRID is designed to shape the post-pandemic green recovery for IDA and IBRD countries. It relies on three pillars, which are described in more detail in Figure 3. The approach is not intended as an alternative to CPFs. The framework is meant to provide a more systemic approach to integrate sustainability and just transition with the World Bank’s twin goals of poverty reduction and shared prosperity. GRID can form the basis for strategic action plans that a country can adopt, such as in the case of Nepal,⁸¹ or that can be directly taken up in CPFs, such as in the case of Egypt.⁸² Unlike the diagnostics, CPFs and GRID are the result of a formal negotiation between the World Bank and governments.

In the context of the World Bank’s Evolution Roadmap, GRID can be seen as an important first step for the Bank to further integrate a focus on global challenges in its operations. GRID is still a relatively new approach for the World Bank and its effectiveness is therefore still largely untested. However, there is clear potential to expand such an approach to all World Bank operations based on the first lessons learnt.

⁸⁰ World Bank and IMF Development Committee, 2021, **From COVID-19 crisis response to resilient recovery – Saving lives and livelihoods while supporting Green, Resilient and Inclusive Development (GRID)**, page 11

⁸¹ World Bank Group, September 2021, **Government of Nepal and development partners join forces on Nepal’s green, resilient, and inclusive development**

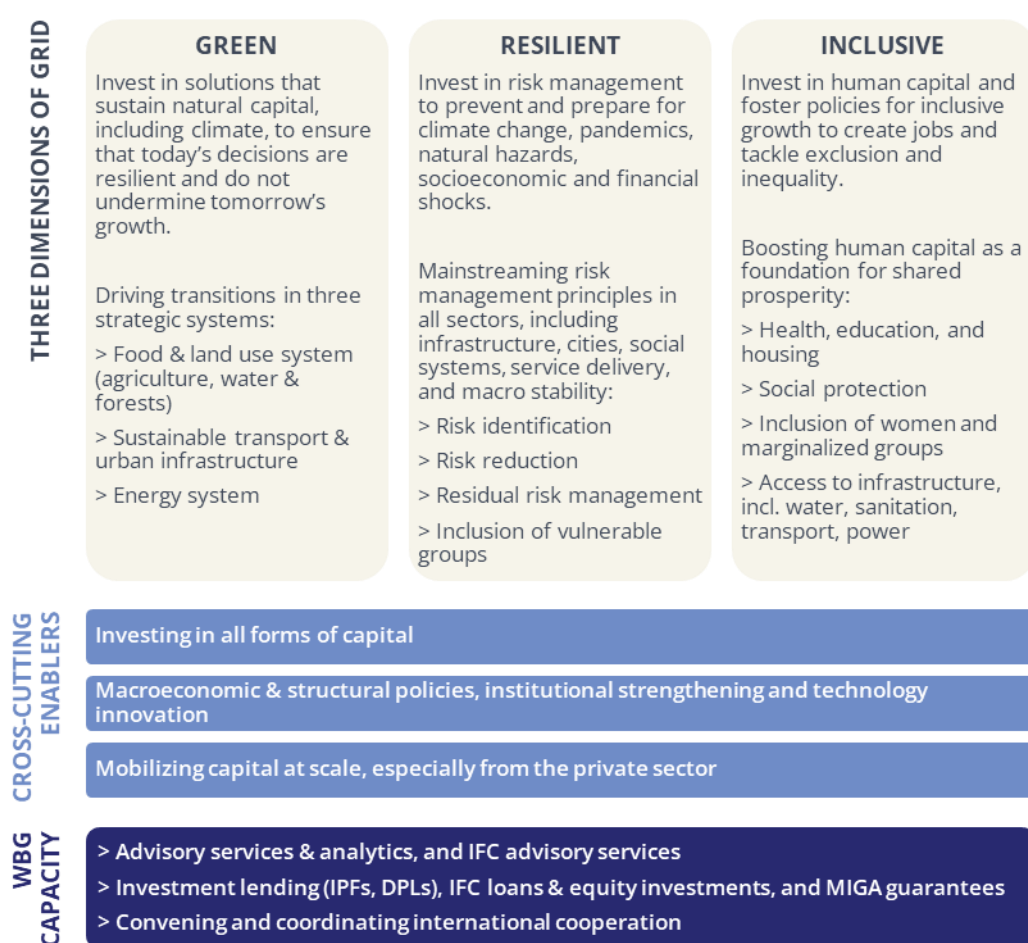
⁸² World Bank Group, March 2023, **Egypt: World Bank Group launches new partnership framework to support green, resilient, and inclusive development**



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GRID is not designed with JETPs or other country platforms in mind, but there are several aspects that indirectly address some of the challenges around JETPs. For example, it helps governments to focus on integrating inclusivity and inequalities in transition plans to ensure a just transition that minimises the negative effects of accelerated (energy) transitions on affected communities. It can also help to bring in other development partners and the private sector to contribute to investing in human capital.

The Green, Resilient, and Inclusive Development (GRID) approach



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Figure 3: The World Bank Group's Green, Resilient, and Inclusive Development (GRID) approach



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Recommendations for CPFs and GRID

- > The CPFs should explicitly refer to the outcomes of Performance & Learning Reviews (PLRs) and Completion and Learning Reviews (CLRs) and should reflect on the impact of previous CPFs and that of developed projects and policy engagement.
- > The World Bank can use the GRID approach to develop strategic action plans with governments of JETP and other country platform countries. These action plans should then prioritise sustainable job creation, education, social protection and inclusion of marginalised groups as part of a just transition strategy for these countries.
- > We recommend that the WBG explore the introduction of single safeguard reviews for multiple projects in priority sectors as defined in the CPF or GRID. One option would be to allow projects that are part of a JETP or country platform to benefit from such single safeguard reviews.

Civil society

The CCAP highlights that “third partners” such as civil society organisations and think tanks are crucial to the success of the World Bank’s climate action.⁸³ Meaningful and effective consultation with civil society is not only an important requirement for robust diagnostics and CPFs, but can also help the World Bank in identifying potential unintended harmful effects of projects and strategies in advance. In recent years, civil society has been critical of the World Bank’s engagement with CSOs. For example, due to limited options for consultation, a lack of transparency, or lack of clarity of how the Bank takes concerns into consideration.⁸⁴

Similar concerns around the opportunities for civil society to engage in a meaningful dialogue exist around JETPs. In South Africa, details around JETP investment plans and their implementation are often not shared externally. This makes it difficult for CSOs and affected communities to raise concerns or to propose alternatives and solutions to identified problems.

⁸³ World Bank Group, June 2021, **World Bank Group climate change action plan 2021–2025: Supporting green, resilient, and inclusive development**, page 7

⁸⁴ Melanie Coni-Zimmer et al., May 2023, **The path of least resistance: why international institutions maintain dialogue forums**



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The World Bank can play an important role here by strengthening its consultations with CSOs in its diagnostics, partnership frameworks, CLRs and PLRs. By enabling civil society to contribute, just transition approaches can be tailored to the needs and concerns of affected communities. Moreover, it provides the Bank with crucial understanding of the impact of its projects and how they can be improved.

In our conversations with the World Bank diagnostics teams, it became clear that the CCDRs benefitted from dialogue between MDBs or CSO consultations, while this was not clear in the reports. Such consultations and cooperation between stakeholders are valuable and critical to the success of World Bank operations. They therefore deserve to be highlighted in World Bank operations and should be referenced where possible in reports.

Recommendations for the World Bank's engagement with civil society

- > The World Bank's engagement with civil society and affected communities should be strengthened. Particularly by ensuring that there is sufficient opportunity for CSOs to raise concerns, and by transparently communicating how the Bank will respond. In practice, this would mean that local or regional civil society stakeholders would be included in diagnostics and CPFs in an early stage, and that CSO feedback on projects and programmes should be made public where possible and play an important role in CLRs and PLRs.
- > The diagnostics and CPFs could be more specific on how other stakeholders such as CSOs, academics, private sector actors or other MDBs have been involved. It would also be highly valued if collaborations between DFIs and MDBs would be reflected in diagnostic reports. For example, by specifying which partners have been involved in consultations or by summarising what their input was in the report. It would also be highly valued if collaborations between DFIs and other MDBs would be reflected in the reports.
- > Philanthropies can play an important role in supporting and financing the implementation of JETPs and country platforms, especially in relation to civil society and enhancing social inclusivity. Philanthropies can support CSOs through funding and advise on their role in advocacy, critiquing and solution-building. GRID and CPFs should therefore expand their scope to include the role of philanthropies in supporting just transitions.



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General recommendations regarding World Bank procedures and diagnostics

- > We recommend that the World Bank builds on its experience in developing diagnostics to initiate and deliver a set of joint-MDB diagnostics aimed at countries that are exploring opportunities for a JETP, such as Brazil and India. These diagnostics could provide a neutral input for negotiations and future investment plans, while outlining coordination opportunities for the MDBs and DFIs. In addition, such diagnostics could assess how the MDBs can coordinate their private sector mobilisation approach and analyse the different roles the MDBs can take in the implementation of the diagnostic recommendations based on their expertise. The Country Diagnostic Working Group could be a starting point for this initiative.
- > We recommend that the WBG does not propose recommendations in diagnostics that could support fossil fuel expansion or are otherwise not in line with the goals of the Paris Agreement. CPFs should in all cases prioritise renewable energy over fossil fuel expansion.
- > Sub-sovereign stakeholders can play an important role in the implementation of transition plans and in social protection of communities affected by transitions. The World Bank's country engagement model can be strengthened by expanding the scope of diagnostics, GRID and CPFs to more systematically explore opportunities for sub-sovereigns to support climate action.

Concluding remarks

The WBG's CCAP and country engagement model provide an important basis for the World Bank to work with partner governments and a broad range of stakeholders to support the development of concrete mitigation and adaptation pathways, while fostering a stronger sense of ownership and commitment among partner governments and (future) clients. In doing so, it could not only support countries in setting ambitious climate goals, but also help them address barriers to private sector mobilisation.

Robust and inclusive diagnostics can form the basis for the World Bank's role as a knowledge partner in supporting the development of JETPs and other country platforms that can tackle the multiple global challenges the world is facing. This



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would provide an important opportunity for the World Bank to work closely with the other MDBs in a coordinated approach to address the “polycrisis”.

The World Bank should use the current reform process to consult with its member countries in the Global South and North to formulate a common vision in its Evolution Roadmap on how the Bank could address global challenges through JETPs and country platforms.