



E3G

WORLD BANK GROUP



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This is a dashboard summary for this bank from E3G's major report "Banking on Asia: Alignment with the Paris Agreement at six Development Finance Institutions in Asia". Please see the full report for the detailed analysis behind this summary.

Founded: 1944

Mission: To end extreme poverty and to promote shared prosperity

Total assets: USD 490 billion

Headquarters: Washington, DC, USA

Top shareholders: USA, Japan, Germany, France, UK and China

Key moments and decisions coming up:

- IDA replenishment meeting, December 2019¹
- World Bank Spring Meetings, 17–19 April 2019, Washington, DC
- Replenishment of the Green Climate Fund (GCF)
- World Bank Annual Meetings, 16–18 October 2020, Washington DC

Summary of Paris alignment assessment: The World Bank Group is making slow but steady progress towards aligning the various aspects of its operations to the Paris Agreement on climate change. As a norm setter for other MDBs, it needs to go further and faster as many development banks copy its standards. Areas it should prioritise include energy efficiency standards within IDA/IBRD which are a glaring omission and setting a GHG reduction target. The World Bank Group also has the potential to lead the way in terms of transparency in financial intermediary sub-projects.

¹ Website for [IDA19 replenishment](#).



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Figure 1: A summary of the assessment of WBG's Paris Agreement alignment

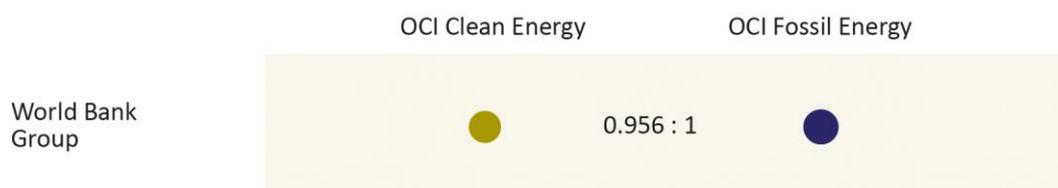
Indicator	Summary	
Overarching climate strategy	Paris-aligned – The strategy includes both mitigation and adaptation, and also acknowledges that climate is a threat to poverty reduction. Focus now needed on implementation in all parts of the Bank's activities, including technical assistance.	
Integration of climate mitigation and resilience in key sectoral strategies	Paris-aligned – Adaptation and mitigation are included in a balanced way across sectoral strategies.	
Transparency of climate finance data	Some progress – There is reasonable disclosure of climate finance data but lack of transparency on FI sub-projects.	
Energy efficiency strategy, standards and investment	IDA/IBRD N/A – only transport sector has energy efficiency principles	IFC Paris-aligned – Energy efficiency standards across all sectors promote best available technology and identify investment needs.
Fossil fuel exclusion policies	Some progress – There is near complete exclusion of coal and upstream oil and gas.	
Greenhouse gas accounting and reduction	Some progress – Portfolio-level GHG tracking is in the process of being implemented but no target for peaking or reducing GHGs has been set.	
Climate risk, resilience, and adaptation	IDA/IBRD Paris-aligned – Good project-level climate risk management system being piloted with wide coverage, and dedicated efforts for enhancing client resilience. Full implementation will follow.	IFC Some progress – Developing project-level climate risk management processes; intention to grow adaptation finance.
Green/brown energy finance and scaling up climate investment	Some progress – Progress has been made in certain sectors but only limited progress in others. Climate finance versus fossil finance is positive but more progress is required to phase out fossil finance.	
Technical assistance for implementing Paris goals	Some progress – WBG manages NDC Support Facility Trust Fund, which also supports the NDC Partnership. However it also uses technical assistance to support fossil fuel sectors.	
Promotion of green finance	Paris-aligned – WBG is promoting green finance in banks, local and national institutions, insurers and regulators with a number of potentially transformational initiatives.	



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Bank green-brown energy ratio:

Figure 2: WBG's energy-related clean finance versus fossil finance (2016–17 average)



Source: E3G analysis of data from OCI

Paris-aligned project case study: The World Bank's Energy Sector Management Assistance Program (ESMAP), in partnership with the International Finance Corporation, has created a specific USD 5 million programme to help low- and middle-income countries explore offshore wind potential and create a pipeline of projects for the World Bank Group to finance².

Misaligned project case study: Two USD 400 million loans for Turkey and Azerbaijan for the Trans Anatolian Natural Gas Pipeline (TANAP), which will transport natural gas from the Shah Deniz 2 gas field amongst others in Azerbaijan to Turkey and South Eastern Europe³.

Recommendations:

- > WBG should disclose more detailed information on sub-projects financed by financial intermediaries (particularly at IFC) and introduce due diligence to ensure that intermediaries are not investing in areas the World Bank has excluded e.g. coal and upstream oil and gas. WBG should also work with intermediaries on decarbonisation plans.
- > WBG should extend fossil fuel exclusion policies to cover all coal, oil and gas at all stages of the value chain.
- > World Bank Group should look to the experience of the other MDBs and how they incorporate the Avoid-Shift-Improve framework into their transport lending. IBRD and IDA are well placed to adopt the standards used by the IFC in other sectors.

² Offshore Wind Biz (2019) [GWEC and World Bank Group Target Emerging Offshore Wind Markets](#)

³ World Bank (2016) [World Bank Group Supports Diversification of Azerbaijan's Gas Export Markets and Security of Energy Supply for Turkey and Europe](#)



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Leadership area: The World Bank’s technical assistance to implement NDCs. The NDC Support Facility Trust supports the NDC Partnership, an international initiative to support action on the NDCs which is backed by various MDBs, including ADB, and many country participants. This is an example of real global leadership from the World Bank on this issue. Furthermore, the Climate Action Enhancement Package, a new offering of the NDC Partnership, has a goal of enhancing NDC ambition as well as implementation.