



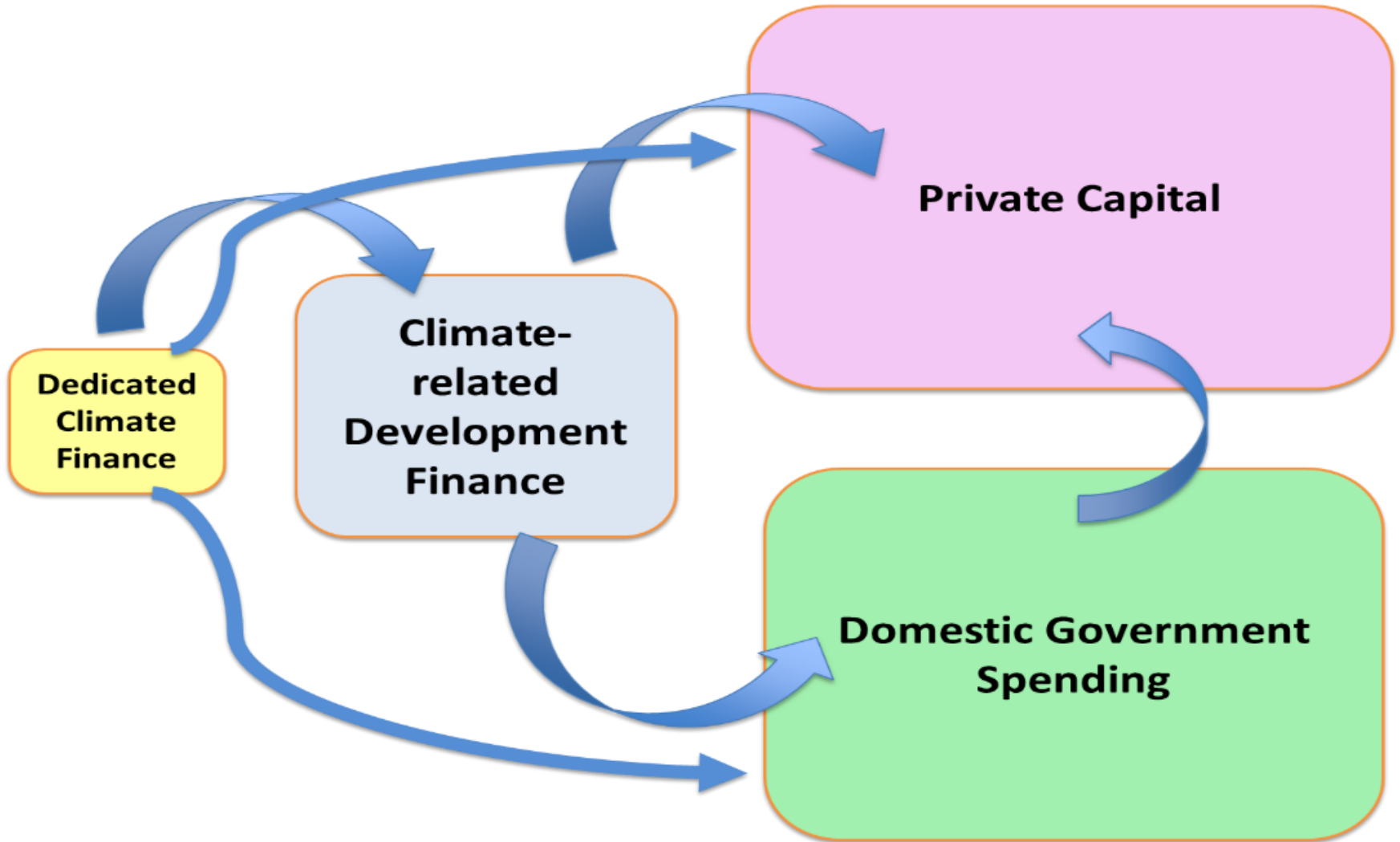
**WORLD BANK GROUP**  
Climate Change

# The World Bank's experience in the provision of climate finance instruments

Technical Workshop on Climate Finance in the Arab Region

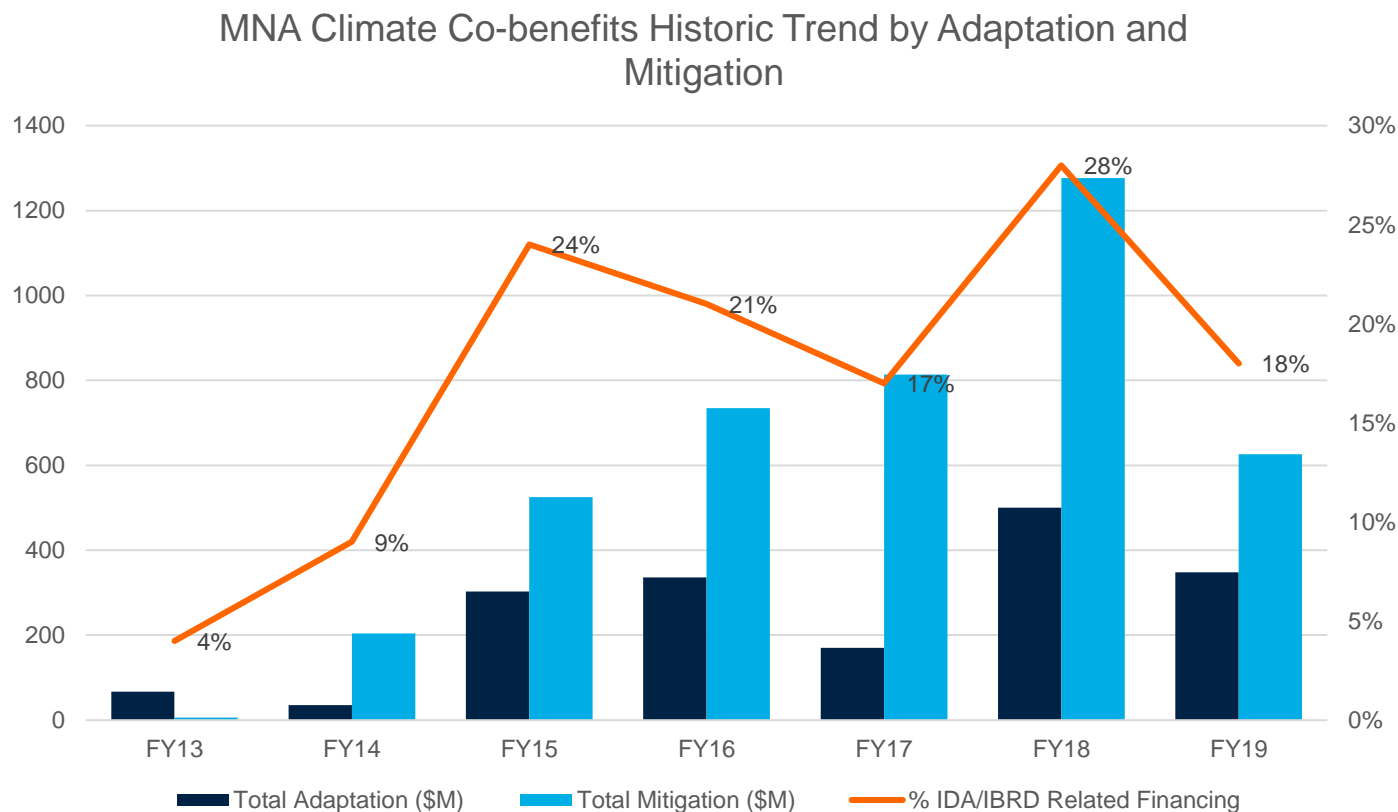
Mr. S. Adeel Abbas  
Senior Operations Officer  
World Bank

# Multiple Flows Contribute to Climate Finance



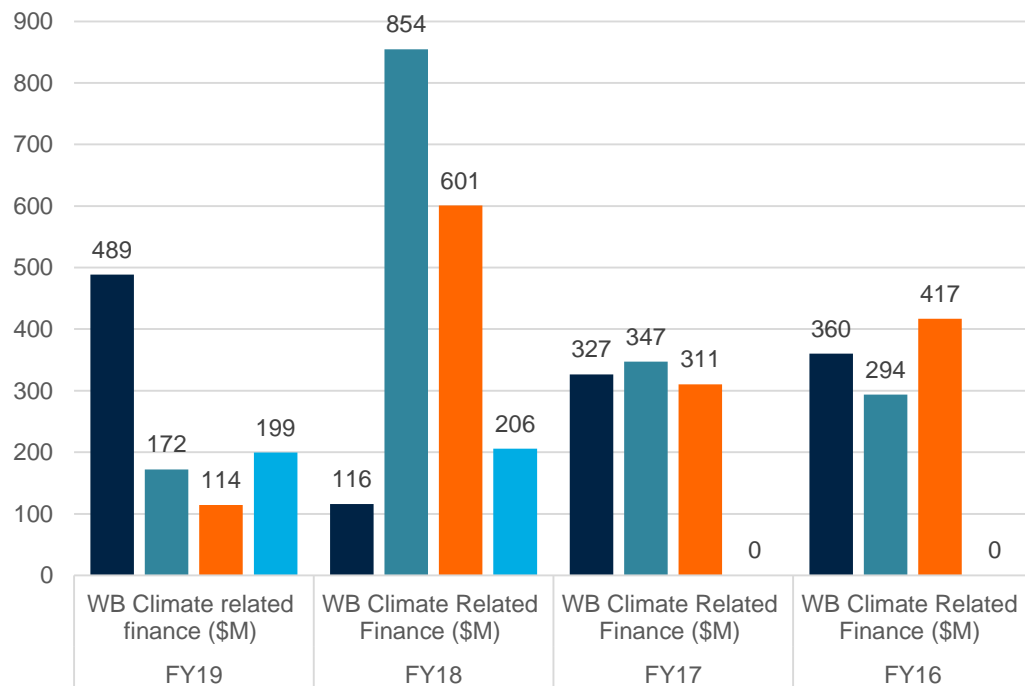
# MNA Climate Related Financing Trend: Adaptation vs Mitigation

A total of \$4.5bn invested in MNA region on climate related projects since 2013

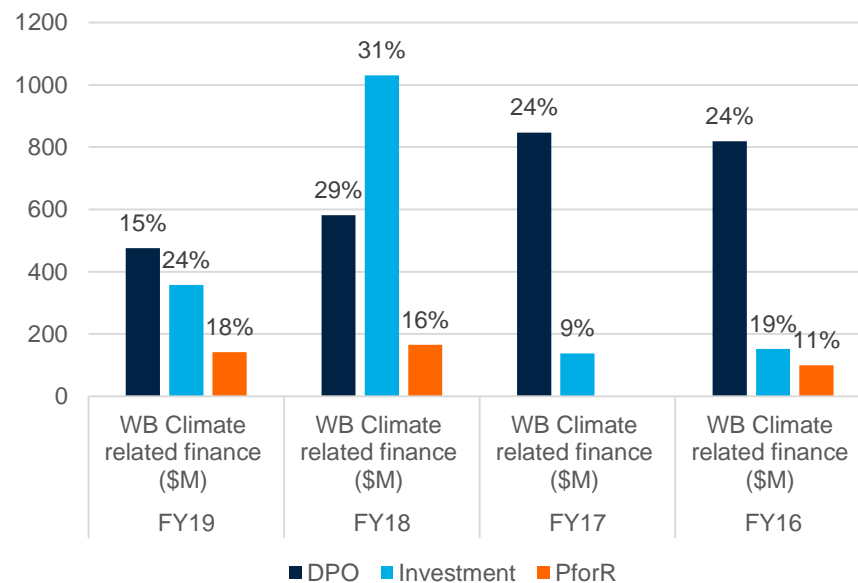


# MNA Climate Related Financing: Breakdowns by: Sector Groups and Lending Instruments

FY16 to FY19 MNA Climate Related Financing by Sector Groups



FY16 to FY19 Climate Related Financing by Lending Instruments



# Types of Dedicated Climate Finance - Types

## Activity Based



## Results Based



## Readiness – Preparedness



# WB-Administered Funds

## Partner Instruments



**BioCarbon Fund Initiative for Sustainable Forest Landscapes, 2013**  
\$346.7M

Incentivizes the development and implementation of sustainable land use activities with the private sector, blending climate and development impacts.  
**5 donor governments**



**Carbon Partnership Facility, 2009**  
\$126.3M

Piloting scaled-up carbon crediting programs. Promotes the development of activities using Kyoto Protocol rules.  
**7 selling countries, 3 buying countries and 2 donor participants**



**Carbon Initiative For Development, 2011**  
\$112.5M

Support low-income countries to benefit from results-based climate finance. Develops carbon markets as a tool to expand energy access.  
**2 donor governments and 1 foundation**

**CCEF**

**Canadian Clean Energy & Forest Climate Fund**  
CAD\$ 410

Concessional finance to support energy transition, renewable energy in SIDS and jurisdictional forest and landscapes  
**1 donor government**



**Forest Carbon Partnership Facility, 2008**  
\$1.284B

Guiding readiness and carbon finance for REDD+ and testing purchase of REDD+ credits.  
**47 country participants including 15 donor governments, 1 private donor and 1 NGO**



**Transformative Carbon Asset Facility, 2016**  
\$211.4M  
(\$500M target)

Supporting developing countries in increasing their mitigation ambition and helping to inform the international process for shaping international carbon markets going forward.  
**6 contributing governments and 1 foundation**



## Hosted Instruments



**Green Climate Fund, 2010**  
\$578m

UNFCCC investment fund for low-emission & climate-resilient development.  
**43 donor governments**



**Global Environment Facility, 1991**  
\$1.2bn

Established in 92's Rio Earth Summit to help tackle global environmental problems.  
**39 donor governments**



**Multilateral Fund for the Implementation of the Montreal Protocol, 1989**  
\$390m

Involves countries with large consumption of HCFCs and convert foam and air-conditioning equipment manufacturers to non-ozone depleting chemicals with lower global warming potential.  
**55 donor governments**



**Climate Investment Funds,**  
\$ 1.7bn

The \$8 bn global outreach assists governments in integrating climate mitigation and resilience into strategic development planning across sectors and stakeholder groups. Provides concessional and grant funding to put the plans into action and pilot innovative public and private sector solutions.

**Others include:**  
NDC Support Facility, GFDRR, ESMAP,

Note: The list is not exhaustive. The actual financing numbers may vary depending on the last status update

# Levers for Climate Action – Not just about Projects

CLIMATE ACTION	DRIVER	DESCRIPTION / EXAMPLES
Project-based	Investment	Individual investment projects with climate benefits e.g. wind plant, climate-resilient road
Financial sector reform	Incentives / Investment	Financial sector regulations that catalyze green investment e.g. regulations to promote green bonds, climate risks in portfolio assessments
Fiscal Policies	Incentives	Government revenue, pricing and spending reflecting climate externalities e.g. green taxes/improved subsidy targeting, green procurement
Sector Policies	Incentives	Policies specific to particular sectors that can trigger climate action primarily by the private sector e.g. energy efficiency standards, climate-informed land use regulations
Trade Policies	Incentives	Trade policies can encourage manufacture and sales of climate-friendly products e.g. carbon border tax adjustment, standards
Innovation Policies	Innovation	Regulations and government investments to develop more effective and cheaper green technologies e.g. demonstration plants, basic R&D, SME support, early/discounted financing
Carbon markets	Investment / Incentives	Use market forces to achieve cost efficient mitigation and mobilize private sector e.g. emission trading systems, baseline-and crediting mechanisms
Climate intelligence/ data	Knowledge	Global public goods for climate data, planning tools, 2050 low-carbon resilience trajectories, NDC and climate strategies, climate awareness and education

# Leveraging Private Capital for Climate

## Mobilizing private finance to turn billions into the trillions needed to fight climate change

### Maximizing Finance for Development (MFD) to help the WBG and its clients to crowd-in private sector finance.

- Executing MFD for climate and implementing Invest4Climate can facilitate private finance to key areas requiring scaled-up action.

### Making progress on mobilizing private co-financing for climate action.

- Using blended finance, mobilization platforms and guarantees is helping the WBG to direct private resources to climate challenge.

## Supporting policies and institutions that can enable transformational private mobilization

### Working with the banking and financial sector to incorporate climate as an upstream input.

- Greening the financial sector and leading the Sustainable Banking Network to catalyze green investment flows.

## Using innovative instruments and creating markets for directing private capital flows

### Deploying platform-based and other pioneering approaches to unlock private finance.

### Shifting the focus on support for green bonds from direct WBG issuance to supporting clients to issue their own.

### Using public resources judiciously for climate action by deploying guarantees and other risk mitigation approaches.

## Leveraging concessional finance and other resources for maximum impact

### Optimizing and mobilizing concessional finance via a suite of climate funds including collaboration with the GCF, recognizing the current complex and crowded climate finance architecture.