

## FACT SHEET ON WORLD BANK AND CLIMATE CHANGE

### Background

- The World Bank Group recognizes that human-induced climate change, primarily caused by the emissions of greenhouse gases from the combustion of fossil fuels, constitutes a significant global threat. Human activities are likely to increase climate variability and the frequency of extreme weather events and adversely affect water quantity and quality, agricultural production, human health, human settlements, and biodiversity and ecological systems in most developing countries. The question is not whether the climate will change in response to human activities, but rather how much, how fast, and where.
- ***The present imbalance is striking.*** While only 15 percent of the world's population live in high-income countries, they contribute disproportionately to global warming—emitting more than 50 percent of total carbon dioxide and other greenhouse gases that are altering the Earth's climate. The World Bank recognizes the [Intergovernmental Panel on Climate Change \(IPCC\)](#) as the principal scientific authority on climate change and accepts the conclusions of its latest assessments.
- The World Bank is also actively engaged in the work of the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#). It is not a case of either clean technology development or a sound protocol with discernible targets. It is both. The protocol could facilitate the introduction of new technologies as well as act as an incentive for their development.

### Probable Impacts

- Developing countries will be more vulnerable than industrialized countries, with the poorest of the poor being the most vulnerable. Human-induced climate change is projected to decrease agricultural productivity throughout the tropics and sub-tropics, decrease water quantity and quality in most arid and semi-arid regions, increase the incidence of malaria, dengue and other vector-borne diseases in the tropics and sub-tropics, and adversely affect the functioning of ecological systems and their biodiversity, which will undermine the very foundation of sustainable development.
- In addition, the sea level rise associated with projected increases in temperature could displace tens of millions of people living in low-lying areas, such as the Ganges and the Nile Deltas, and could threaten the very existence of small island states.

### Mitigating Climate Change

- Dealing with the impacts of climate change and with emission reductions should not be mutually exclusive, but complementary. Similarly, technology development can work with, and be reinforced by, sound global public policy—working under the guidance of the UNFCCC. As an implementing agency of the [Global Environment Facility \(GEF\)](#), the World Bank is assisting borrowers in reducing greenhouse gases (GHGs) through support for policy reforms, renewable energy, and energy efficiency projects.
- The total climate-change portfolio includes 76 projects at a total cost of \$7.1 billion, with GEF financing \$637 million, and funding for the rest coming from the World Bank Group, private co-funding, and government counterparts.

- The World Bank has also pioneered the development of its \$400 million carbon finance business (see [Overview of the World Bank Carbon Finance Business](#)) to enable GHG-reduction investments of over \$1 billion, through a variety of public-private partnership specialized funds, e.g., the [Prototype Carbon Fund \(PCF\)](#), the [Community Development Carbon Fund \(CDCF\)](#), the [BioCarbon Fund \(BCF\)](#), and a series of government-sponsored funds, such as the [Netherlands Clean Development Facility](#) and the [Italian Carbon Fund](#).
- In financing climate change projects and programs, the World Bank applies its regular environmental and social policy due diligence.

### **Renewable Energy Projects**

- The World Bank has the largest renewable energy portfolio of any institution in the world. Since 1990, the World Bank Group has committed about \$2.7 billion to the renewable energy portfolio.

### **Helping Poor and Middle-Income Countries Adapt to Climate Change**

- Poor people in low and middle-income countries are most vulnerable to climate variability, and the hazards they face will be exacerbated by climate change. The Bank is mainstreaming climate change in operational work, assessing the risks posed by climate change in project implementation, and seeking opportunities to support policy reforms that will contribute to adaptation to climate change.
- Significant reductions in emissions can also be achieved by establishing national markets and regulatory frameworks for renewable energy and energy efficiency, especially in the largest developing countries. The World Bank, together with the GEF, is working with China, India, and Mexico in this area.

### **Additional Resources**

- [Climate Change](#)
- [World Bank - Global Environment Facility Program](#)
- [Carbon Finance at the World Bank](#)

### **ADDITIONAL INFORMATION:**

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