INTERNATIONAL FINANCE CORPORATION 2026 CLIMATE-RELATED DISCLOSURES

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INTERNATIONAL FINANCE CORPORATION
FISCAL 2026 CLIMATE-RELATED DISCLOSURES

INTRODUCTION

The World Bank Group[1] (WBG) works to create a world free of poverty on a livable planet. Climate change threatens development gains, jobs, and livelihoods and disproportionately affects poor and vulnerable people. Addressing climate and development together is therefore integral to durable growth and poverty reduction.

The WBG pursues climate-smart development by integrating climate considerations into country engagement, analytics, policy reform, sector strategies, and financing. This approach links resilience and responsible emissions management with growth, fiscal sustainability, and job creation: more reliable energy, transport, water, digital services, and productive natural assets can reduce disruption, strengthen firms' competitiveness, and support investment. It also helps clients mobilize public and private capital in ways that reflect country circumstances and development priorities.

As the WBG's private sector arm, the International Finance Corporation (IFC) mobilizes capital and expertise to help firms and markets adopt low-carbon and climate-resilient business models. IFC combines investments, advisory services, upstream engagement, standards, and partnerships to identify opportunities, manage climate-related risks, and scale development impact.

The WBG's Climate Change Action Plan (CCAP) provides the common framework for mainstreaming climate considerations across operations. IFC applies this framework through Paris Alignment assessments, climate co-benefits tracking, sector and client engagement, and an increasing focus on measurable climate outcomes through the WBG Scorecard.

During fiscal 2026, IFC embedded climate considerations across its operations, scaled development finance with climate co-benefits,[2] and strengthened partnerships that support clients. These efforts complement a stronger focus on outcomes, including net greenhouse gas (GHG) emissions and people with enhanced resilience to climate risks.

In fiscal 2026, total long-term finance commitments with climate co-benefits reached $36.4 billion, representing 44 percent of total long-term finance commitments. This comprised $9.2 billion in own-account long-term finance, equivalent to 43 percent of own-account long-term finance commitments, and $27.2 billion in core mobilization with climate co-benefits. Separately, IFC reported $32.8 billion in private capital mobilization (PCM) associated with climate co-benefits. Fiscal 2026 is a transition year in which both core mobilization and private capital mobilization are presented; from fiscal 2027, reporting will focus on private capital mobilization. Own-account commitments with adaptation co-benefits reached a record $806 million.

BASIS OF REPORTING

This report is IFC's ninth consecutive climate-related disclosure. Consistent with the WBG's vision of a world free of poverty on a livable planet, it explains how IFC integrates climate considerations into governance, strategy, risk management, and metrics.

Its treatment of shared strategy and governance is aligned, where relevant, with the related IBRD/IDA and MIGA disclosures. Unless otherwise stated, the activities, achievements, risks, exposures, and metrics reported here are attributable to IFC. WBG-wide information is included only where it explains common strategic direction, governance, or corporate services relevant to IFC.

The report is informed by leading international climate-disclosure standards. IFC uses data that are as accurate and complete as practicable, applies reasonable assumptions where information is unavailable or unreliable, and uses consistent methodologies to support comparability over time. Internal controls support data integrity and reliability.

Since 2006, IFC has engaged an independent third party, currently Ernst & Young (EY), to provide limited assurance over selected climate-related disclosures as part of IFC's annual report review. The scope of this work is described in EY's limited assurance report on IFC's annual report website. In fiscal 2026, IFC continued to assess climate-related factors across governance, strategy, risk management, and metrics.

This report covers the fiscal year ended June 30, 2026, unless otherwise stated. Dollar amounts are in US dollars. Emissions are expressed in metric tons of carbon dioxide equivalent (tCO_2e), unless otherwise stated.

1. The WBG consists of five organizations: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), and International Centre for Settlement of Investment Disputes (ICSID).
2. "Development finance with climate co-benefits" refers to the share of financial resources committed to investments directly linked to climate resilience or low-carbon development. These development projects present climate co-benefits.

JOURNEY OF IFC'S CLIMATE-RELATED MILESTONES

IFC has progressively integrated climate considerations into its development operations, standards, market-building work, and risk assessment. The milestones below highlight key institutional commitments, methods, products, and delivery mechanisms.

BOX 1: CLIMATE-RELATED MILESTONES, FISCAL YEARS 2006–2026

FY 2006–2012

- Began third-party limited assurance of climate co-benefits data (2006)
- Carbon neutral in business operations, including Scope 1 and 2 emissions, for the first time (2009)
- Issued first Green Bond for $200 million (2010)
- Created a dedicated Climate Business Department to support corporate focus on climate (2010)
- Introduced public disclosure of expected project GHG emissions above 25,000 tCO_2e/year (2012)
- Launched the first joint multilateral development bank (MDB) report on climate finance (2012)

FY 2013–2018

- Announced that it would no longer finance greenfield coal-fired power generation (2013)
- Issued two $1 billion benchmark green bonds, then IFC's largest green-bond issuances (2013)
- Updated the Common Principles for Climate Finance Tracking (2015)
- Launched the first WBG Climate Change Action Plan, covering 2016–2020, and establishing the case for addressing the interconnected challenges of poverty, development, and climate (2016)
- Announced that it would cease financing upstream oil and gas after 2019, except for upstream gas projects in the poorest countries (2017)
- Became the first MDB to publish a Task Force on Climate-related Financial Disclosures (TCFD)-aligned climate-related financial disclosure (2018)
- Established a Climate Anchors Network across IFC sectors and regions of operation (2018)
- Set the first global corporate science-based target for facility-related Scope 1 and 2 emissions (2018)

FY 2019–2025

- IFC's Green Bond Program exceeded $10 billion in cumulative issuances (2019)
- Introduced the Green Equity Approach for financial institutions (2020)
- Launched the second CCAP, covering 2021–2026, mainstreaming climate considerations across WBG operations, and introducing country-level climate diagnostics and Paris Alignment (2021)
- Launched a $3 billion Paris-aligned private debt portfolio for institutional investors (2021)
- Updated the Joint Methodology for Tracking Climate Change Adaptation Finance (2022)
- Released the inaugural Country Climate and Development Reports (CCDRs) (2022)
- Announced the 45 percent WBG climate co-benefits target (2023)
- Updated the Common Principles for Climate Mitigation Finance Tracking (2021 and 2023)
- Released the WBG Scorecard for fiscal 2024–2030, including climate outcome indicators (2024)
- Contributed to the MDBs' announcement of their collective ambition to provide $120 billion annually in development finance with climate co-benefits by 2030 (2024)

FY 2026

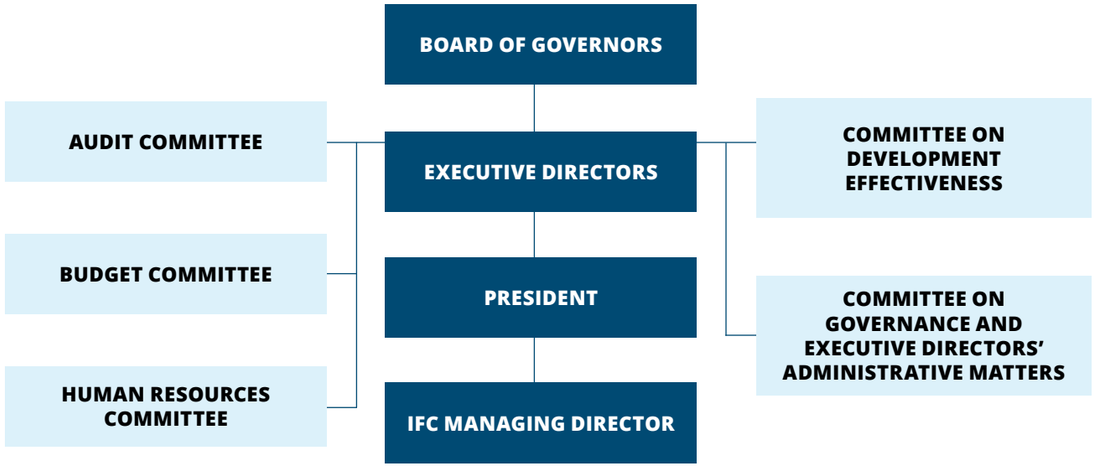
- Published *Jobs in a Changing Climate: Insights from World Bank Group Country Climate and Development Reports* covering 93 economies[3]
- Established the WBG Climate department within the WBG Knowledge Bank
- Extended the WBG Climate Change Action Plan indefinitely
- Established the WBG Climate Leadership Council (CLC) and WBG Climate Practitioners Network

3. See report on *Jobs in a Changing Climate: Insights from World Bank Group Country Climate and Development Reports* covering 93 economies here.

GOVERNANCE

IFC's governance structure comprises the Board of Governors, Board of Directors (the Board), WBG President, management, and staff. The Board of Governors is IFC's highest decision-making authority and delegates specified powers to the Board, subject to IFC's Articles of Agreement. The WBG President serves as President of each WBG institution, and IFC's Managing Director reports to the WBG President.

FIGURE 1: IFC'S GOVERNANCE STRUCTURE



CLIMATE-RELATED GOVERNANCE AND OVERSIGHT

BOARD OVERSIGHT

IFC's Board of Directors and Board of Governors recognize climate change as a global development issue and have endorsed IFC's commitments to integrate climate resilience and transition risk management into its development mandate. The Board exercises oversight of climate-related risks and opportunities through several mechanisms:

- **Project Approval:** The Board approves investment projects directly or delegates approval authority to IFC management. Project review considers relevant physical and transition risks through Paris Alignment assessments, eligibility for climate co-benefits, and expected contributions to the two climate-related WBG Scorecard results indicators, where applicable. The two WBG Results Indicators that are explicitly climate-related are: net GHG emissions per year and the number of people with enhanced resilience to climate risks from WBG-supported operations.
- **Strategic Oversight:** The Audit Committee of the Board oversees IFC's risk management framework, including climate-related risk, through quarterly reviews.
- **Reporting and Monitoring:** The Board receives quarterly updates on key operational and financial targets and regular reporting on climate-related commitments, Scorecard outcomes, and CCAP implementation.[4]

4. Through the 2018 Capital Increase for IBRD and the IFC, and the IDA20 and IDA21 replenishments, the Board of Governors endorsed several climate-related commitments, such as increasing the share of climate-related financing and screening all lending investments for climate and disaster risks, among others.

MANAGEMENT'S ROLE

Under the IFC Managing Director's leadership, IFC's Management Team is responsible for day-to-day operations and risk management, including the identification and management of climate-related risks and opportunities. Key elements include:

- **Corporate Risk Committee (CRC):** The CRC is primarily responsible for overseeing risks to IFC not covered by the WBG Committees.[5] The CRC reviews and approves all institutional risk-related matters, including those related to climate.
- **Climate Risk Working Group (CRWG):** Co-led by the Directors of Climate and Corporate Risk Management, the CRWG provides oversight of the integration of climate risk into IFC's enterprise risk management framework. The CRWG develops and refines methodologies for identifying, assessing, and disclosing climate-related financial risks and reports quarterly to the CRC and annually to the Audit Committee. For further details, see the Risk Management section.

REMUNERATION POLICY

The remuneration policy for Executive Directors and the salary and contract terms of the President are determined by the Board of Governors and are not linked to specific objectives, including climate-related performance. See the WBG Annual Remuneration Disclosure Notice for information on executive management, Executive Directors, and staff.

GOVERNANCE OF CLIMATE AND SUSTAINABILITY REPORTING

To strengthen governance of sustainability disclosures, including climate-related reporting, IFC established a Sustainability Reporting Working Group in fiscal 2025. In fiscal 2026, IFC continued to rely on the Sustainability Reporting Working Group established in fiscal 2025. These arrangements are expected to transition in fiscal 2027 to a WBG-wide group. The current responsibilities include:

- Developing a unified strategy and reporting framework.
- Streamlining reporting practices across climate and non-climate sustainability topics.
- Providing management oversight to promote transparency and efficient implementation.
- Considering stakeholder and investor expectations regarding IFC's sustainability disclosures, while meeting its development mandate.

These arrangements support consistent identification, management, oversight, and disclosure of climate-related risks and opportunities across IFC.

OPERATIONAL DELIVERY OF CLIMATE-SMART DEVELOPMENT

Climate-smart development is delivered through IFC's decentralized operating model. Investment, advisory, upstream, industry, regional, risk, and corporate teams integrate climate considerations into strategies, client engagement, and operations, supported by joint WBG country teams and relevant global departments. This mainstreamed approach connects climate with development priorities, including jobs, growth, infrastructure, finance, competitiveness, food systems, cities, health, and resilience.

Within this operating model, the WBG Knowledge Bank, established in fiscal 2026, brings together public- and private-sector expertise across five verticals: People, Prosperity, Planet, Infrastructure, and Digital. It provides a common platform for analytics, tools, operational learning, and integrated solutions, making knowledge and technical expertise more accessible to frontline teams. It also facilitates exchange between global and regional teams so that operational experience can inform methodologies, tools, and implementation support. Accountabilities for investment decisions, risk, outcomes, reporting, and corporate functions remain with the relevant institutions and units.

The WBG Climate department, established within the Knowledge Bank's Planet Vice Presidency in fiscal 2026, brings together climate expertise across WBG institutions under a common mandate to support the integration of climate considerations into development strategies and operations.

Its expertise covers adaptation and resilience; carbon pricing and markets; country diagnostics and strategies; sustainable finance; resilient infrastructure and low-carbon technologies; Paris Alignment; GHG accounting; climate co-benefits methodologies; evidence and standards; and capacity building. It also helps connect public policy reforms with private investment opportunities and supports the use of relevant financial instruments, standards, and partnerships for climate-resilient and low-carbon development.

The department supports implementation of the WBG's climate-smart development strategy and the development and consistent application of relevant climate methodologies. It provides analytics, tools, training, technical input, knowledge management, capacity building, technical quality assurance, and operational support, working across verticals, regions, and products. For IFC, this support extends to investment, advisory, upstream, risk, reporting, and management teams as they integrate climate considerations into strategies, client engagement, transactions, and disclosure.

Reporting of climate-related commitments and Scorecard indicators is supported by the relevant WBG outcomes and reporting functions, while progress on the broader corporate sustainability agenda is reported annually in a combined WBG Sustainability Review. These WBG-wide reporting arrangements provide relevant context, while IFC-specific results and disclosures remain separately attributable to IFC.

CLIMATE CAPACITY, LEARNING AND KNOWLEDGE

To build climate capacity across the institution, the WBG combines communities of practice, operational learning, formal training, and accessible knowledge tools. Launched in fiscal 2026, the Climate Network System comprises: (i) the Climate Leadership Council, which brings together Directors from across the WBG to align priorities, address delivery bottlenecks, and support collaboration across verticals and regions; (ii) the Climate Practitioners Network, which convenes Director-nominated champions for quarterly exchange on operational experience and cross-sector solutions; and (iii) WBG-wide climate-related communities of practice.

In fiscal 2026, IFC scaled the Sustainable Finance Leadership Course, a practitioner-focused program that equips investment, upstream, advisory, and climate staff to originate and structure sustainable finance solutions. Four cohorts across headquarters, Africa, the Middle East, Central Asia, Türkiye, Europe, and Asia trained more than 120 staff from over 35 countries across IFC, IBRD/IDA, and MIGA through technical learning, client case studies, peer exchange, simulations, and site visits.

Launched in fiscal 2025, the Paris Climate Network connects the WBG with European climate, policy, research, sustainable finance, and private-sector communities. In fiscal 2026, it hosted ten events for more than 220 participants, covering resilient infrastructure, nature-smart business solutions, climate-risk management, and related topics.

UPSTREAM AND ADVISORY

IFC's Upstream and Advisory work helps create conditions for private investment in emerging markets and developing economies. It addresses market barriers through early-stage project development, policy engagement, standards, institutional strengthening, and capacity building, working with governments, financial institutions, and private-sector clients.[6]

Together, Upstream and Advisory activities support IFC's climate-smart development strategy by building pipelines in sustainable energy, resilient infrastructure, low-carbon manufacturing, green and resilient buildings, climate-smart agriculture, and sustainable finance. They also help clients identify climate risks, strengthen resilience, and align business models with low-carbon development pathways.

PARTNERSHIPS AND BLENDED FINANCE

IFC's Partnerships and Blended Finance department raises and deploys donor funds alongside IFC's commercial financing to catalyze climate-smart investments that would not proceed on commercial terms alone. By mitigating specific risks and rebalancing risk-return profiles, blended finance can help mobilize private investment in sustainable energy, resilient infrastructure, climate-smart agriculture, low-carbon manufacturing, and other pioneering markets.

TREASURY AND MOBILIZATION

IFC issues green bonds to finance eligible projects in areas such as climate mitigation, adaptation and resilience, biodiversity, and protection of water and ocean resources.

CORPORATE GOVERNANCE

IFC promotes stronger corporate-governance and disclosure practices through investments, advisory services, assessments, training, and market guidance. Its Corporate Governance Methodology and Climate Governance Progression Matrix embed climate considerations in assessments of board oversight, strategy, risk management, controls, and disclosure.

5. During fiscal 2026, as part of the WBG's strategic efforts to scale impact, enhance operational efficiency, and deliver greater value to our clients, a WBG Enterprise Risk Committee and a WBG Administrative and Risk Committee were established, and the WBG Finance and Risk Committee and WBG Asset and Liability Management Committee are being granted an expanded purview across the WBG institutions under a unified governance framework.

6. Upstream at IFC refers to proactive, early-stage activities aimed at creating the conditions necessary for private sector investment in emerging markets and developing economies.

STRATEGY

This section explains how climate-smart development supports the WBG's strategic framework and IFC's corporate strategy, how climate considerations are integrated into country and operational delivery, and how IFC translates these priorities into climate-related outcomes and business activities.

WBG STRATEGIC FRAMEWORK

The WBG organizes its strategic priorities around one overarching objective, more and better jobs in developing countries, supported by three pillars (foundational infrastructure, enabling policies, and private capital mobilization), five priority job-creating sectors, and ten outcome targets to guide the deployment of WBG financing, knowledge, policy support, guarantees, and partnerships, including through joint country and sector engagement across WBG institutions. The five priority sectors with the greatest potential for local job creation are infrastructure and energy, agribusiness, health care, value-added manufacturing, and tourism.

The WBG has strengthened its focus on measurable development outcomes. The WBG Scorecard provides a common results framework across WBG institutions,[7] while the outcome targets translate strategic priorities into quantified delivery objectives. These include targets related to energy access, food and water systems, health services,[8] broadband connectivity,[9] and access to capital, including through initiatives such as Mission 300,[10] AgriConnect,[11] and Water Forward.[12] These targets focus WBG financing and knowledge on the physical and human infrastructure, enabling policies, institutional capacity, and private capital needed to support jobs and development.

The WBG strategic framework, Scorecard and outcome targets provide the broader results framework within which IFC's expected development impact and climate-related outcomes are assessed. The climate-related dimensions of this framework are discussed here, with detailed methodologies and results presented in the Metrics section.

IFC CORPORATE STRATEGY

IFC's corporate strategy supports the WBG framework by seeking to increase productive private investment at scale and create more and better-paid jobs. In particular, IFC contributes to the private capital mobilization component of the WBG strategy through its own-account investments, mobilization of third-party capital, advisory services, and work with the World Bank to address constraints to private investment.

In fiscal 2026, IFC continued to refine a new multi-year strategy to further scale its impact with a focus on four building blocks: enhanced origination and mobilization, a renewed approach to equity, strengthened support for micro, small, and medium enterprises, and new ways of working, including One WBG delivery. Enhanced origination and mobilization combines IFC's own-account financing with mobilization platforms and risk-mitigation instruments to develop investable pipelines that draw in private capital. Under an originate-to-distribute approach, IFC structures investments specifically designed to be sold to private investors, freeing up capital to be redeployed into new projects. Advisory and upstream activities support private capital mobilization by helping address identified market constraints or developing viable investment opportunities.

The renewed approach to equity provides patient risk capital to firms and projects with the potential to grow, innovate, and generate wider market effects. Support for micro, small, and medium enterprises combines financing and advisory to strengthen the firms that account for the greatest share of employment. A One WBG approach to delivery brings together IFC's investment and advisory capabilities with World Bank policy engagement and MIGA guarantees to address barriers and mobilize private investment more effectively.

CLIMATE-SMART DEVELOPMENT IN SUPPORT OF WBG AND IFC STRATEGY

Within this strategic framework, climate-smart development is an enabling approach rather than a separate development objective. It integrates climate considerations into development decisions where relevant to protect and enhance outcomes related to jobs, growth, productivity, infrastructure, food and water security, health, and resilience. It also helps identify investment opportunities arising from demand for more resilient, resource-efficient, and lower-carbon technologies, assets, and business models.

7. The World Bank Group Scorecard can be found here.
8. Information on WBG Health Services can be found here.
9. Results from WBG operations' broadband internet access can be found here.
10. WBG Mission 300 announcement can be found here.
11. WBG AgriConnect announcement can be found here.
12. WBG Water Strategy Implementation Plan can be found here.

Climate change is intertwined with broader development challenges, including poverty, debt, food insecurity, fragility, and unequal access to reliable energy, clean air, and water. Climate impacts can disrupt livelihoods and supply chains, damage infrastructure, lower labor and business productivity, and increase financial risks. These impacts are often greatest for poor and vulnerable people and for sectors and locations that are highly exposed to physical climate hazards.

Conversely, appropriately designed climate-informed policies and investments can protect jobs and productive assets, strengthen resilience, and support new markets and employment opportunities. Targeted adaptation investments, including resilient infrastructure, climate-smart agriculture, and improved water management, could protect or generate around 150 million jobs in low- and middle-income countries by 2050.[13] The transition to net zero could create 37 million jobs[14] globally, including up to 3.3 million new direct green jobs in Africa by 2030.[15]

For IFC, climate change creates physical and transition risks across infrastructure, manufacturing, agribusiness, financial markets, and other sectors. These risks can affect clients' operations and workforces, credit quality, portfolio performance, and expected development outcomes. Climate-related market and policy changes can also generate investment opportunities and influence how IFC originates, structures, assesses, and monitors transactions.

IFC addresses these risks and opportunities through its investments, advisory services, upstream market development, and mobilization of private capital, complemented where relevant by World Bank policy engagement and MIGA guarantees. Climate-smart development thereby supports delivery of the WBG and IFC strategies by helping clients manage material risks, strengthen their business models, and invest in solutions that contribute to jobs and broader development outcomes.

CLIMATE CHANGE ACTION PLANS AND MAINSTREAMING

The WBG's Climate Change Action Plans have progressively formalized this approach. The first Climate Change Action Plan, covering 2016–2020, established the case for addressing the interconnected challenges of poverty, development, and climate. The second Climate Change Action Plan, covering 2021–2025, mainstreamed climate considerations across WBG operations, introduced country-level climate diagnostics and Paris Alignment, and prioritized five systems for transformation that align closely with the five priority job-creating sectors and related sector strategies.

In June 2026, the WBG extended the Climate Change Action Plan indefinitely. The extension maintains Paris Alignment and climate co-benefits tracking while increasing the emphasis on measurable climate outcomes and the integration of climate considerations into country and sector strategies, operations, and solutions.

Under this mainstreamed approach, WBG teams consider climate alongside growth, jobs, fiscal sustainability, and other development priorities in response to country and client needs. The relevance and materiality of climate considerations vary across countries, sectors, clients, and activities. Their integration is therefore calibrated to the specific development context, risks, and opportunities of each engagement.

Development finance with climate co-benefits. Climate co-benefits measure the share of financing associated with eligible climate mitigation or adaptation activities. For IFC, reported climate co-benefits include own-account long-term finance and qualifying core mobilization of long-term finance. These financial inputs complement the WBG's increased focus on measured climate outcomes.

Paris Alignment. The WBG assesses its financing for alignment with the goals of the Paris Agreement. IFC applies the Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment to evaluate relevant physical and transition risks and, where necessary, identify measures that support low-carbon and climate-resilient development pathways.[16] The Risk Management and Metrics sections provide further information on Paris Alignment and climate co-benefits methodologies and results.

WBG COUNTRY ENGAGEMENT

WBG country engagement connects diagnostics, strategy, financing, guarantees, and knowledge across IBRD, IDA, IFC, and MIGA. This One WBG approach helps countries pursue development pathways that are resilient, fiscally sustainable, and responsive to national priorities while identifying opportunities for private-sector participation.

13. See report on *Jobs in a Changing Climate: Insights from World Bank Group Country Climate and Development Reports* covering 93 economies here.
14. See ILO Brief - Navigating the Future: Skills and Jobs in the Green and Digital Transitions here.
15. See FSD Africa - Forecasting Green Jobs in Africa here.
16. See Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment here.

The Country Engagement Approach structures how diagnostics inform WBG strategies and operations. In fiscal 2026, the WBG strengthened this approach to make it more efficient, outcome-focused, and systematic in considering private-sector solutions.[17] Country Climate and Development Reports identify priority climate and development reforms and investments. Other diagnostics, including Country Private Sector Diagnostics where relevant, assess constraints and opportunities for private investment.

In fiscal 2026, the WBG published 20 new Country Climate and Development Reports, bringing total coverage to 98 economies, and released a synthesis covering 93 economies focused on jobs and the workforce.[18] Country Partnership Frameworks (CPFs) translate relevant evidence into multi-year programs of WBG financing, guarantees, and knowledge aligned with country priorities and the WBG Scorecard. Performance and Learning Reviews support mid-course correction, while Completion and Learning Reviews capture results and inform subsequent country engagement.

Together, these instruments provide IFC with country, sector, private-sector, and climate-related evidence to inform market prioritization, client engagement, investment decisions, and the allocation of advisory resources.

CLIMATE OUTCOMES AND IFC IMPACT MANAGEMENT

The WBG's broader outcome framework includes an explicit climate dimension. Two WBG Scorecard Results Indicators are specifically climate-related: net GHG emissions per year and the number of people with enhanced resilience to climate risks from WBG-supported operations. Other indicators, including those related to renewable-energy capacity, water, nature, and broader development outcomes, can also capture results associated with climate-smart development. These outcome measures complement climate co-benefits, which measure eligible financial inputs rather than achieved development results. Current coverage, methodological limitations, plans to expand the application of climate indicators, and reported results are described in the Metrics section.

IFC assesses the expected development impact of its investments through the Anticipated Impact Measurement and Monitoring (AIMM) framework.[19] AIMM is integrated into investment decision-making and considers expected development outcomes alongside financial risk, IFC additionality, and other strategic priorities. AIMM assesses expected impact at project and market levels. At the project level, it considers the development gap and the expected effectiveness and efficiency of the intervention. At the market level, it considers the potential for wider effects through innovation, demonstration, competition, integration, and scale. Baseline and target indicators are monitored during implementation where applicable. For selected investments, a climate scoring adjustment provides additional recognition based on predetermined criteria that consider climate co-benefits and expected climate-related outcomes.

Together, the WBG Scorecard and IFC's impact-management framework connect corporate priorities, investment decisions, and financial inputs with expected and, where available, achieved development and climate outcomes.

IFC'S INTEGRATED CLIMATE-SMART DEVELOPMENT OFFERING

IFC operationalizes climate-smart development through its industry, regional, investment, advisory, upstream, mobilization, and risk functions. Sector-specific engagement across infrastructure, agribusiness, health care, value-added manufacturing, and tourism is complemented by cross-sector themes and solutions, including sustainable finance, carbon pricing and markets, climate technologies, green and resilient buildings, sustainable cooling, and adaptation and resilience.

The following areas illustrate how IFC combines its own-account financing, mobilization, advisory services, standards, tools, and partnerships to support clients and markets. They are not intended to constitute an exhaustive description of IFC's climate-related activities.

ENERGY ACCESS AND TRANSITION

Within the WBG's energy and infrastructure agenda, IFC combines financing, mobilization, and advisory support for affordable, reliable and sustainable energy solutions that support access, jobs, and growth. Expanding energy access can improve living standards, support productive activity, and help people and firms withstand climate and other shocks. The approach responds to country circumstances and energy-system needs while considering climate and emissions implications.

Responsible emissions management also informs the WBG's energy engagement. The WBG has not financed upstream oil and gas since 2019 and has not financed a new coal-fired power plant since 2010. It also supports industrial decarbonization and, where relevant, the retirement or repurposing of existing coal assets.

In fiscal 2026, IFC continued to advise on and finance select Paris-aligned midstream and downstream natural-gas projects. Relevant assessments consider national climate commitments, sector pathways, carbon lock-in, stranded-asset risk, and consistency with the development of renewable energy. At the portfolio level, direct exposure to fossil fuels represented less than 1 percent of IFC's committed investment portfolio. This portfolio measure is distinct from the share of new commitments during the fiscal year.

LABELED SUSTAINABLE FINANCE MARKETS

The WBG supports labeled sustainable finance instruments that follow recognized market standards, including green, blue, sustainability, and sustainability-linked loans and bonds. IFC combines financing, advisory support, market guidance, and capacity building to help clients identify eligible activities, develop investable assets, and establish credible financing and reporting frameworks.

The Green Bond Technical Assistance Program helps financial institutions identify green assets and pipelines and issue labeled instruments. It has trained practitioners in emerging markets and supported more than $21 billion in green, social, and sustainability bond issuances.

In fiscal 2026, IFC contributed to the update of the MDB Common Principles for Tracking Nature Finance.[20] As part of this update, the MDB Common Nature Finance Taxonomy[21] was developed to provide a standardized list of eligible activities, strengthening the foundation for comparable reporting across institutions. In line with the updated Common Principles, IFC, as part of the World Bank Group, continued to track nature finance projects on a pilot basis. IFC also released version 2.0 of its Guidelines for Blue Finance to support the identification, structuring, and reporting of investments related to sustainable water and ocean resources.[22]

In fiscal 2026, IFC raised $2.1 billion through 17 green-bond transactions in 12 currencies, bringing cumulative issuance under its Green Bond Program to $17 billion. Proceeds support eligible private-sector projects that substantially contribute to or enable mitigation, adaptation and resilience, biodiversity protection, and ocean and water protection in accordance with IFC's Green Bond Framework.

GREENING THE FINANCIAL SECTOR

IFC supports financial institutions, regulators, and market bodies in developing the frameworks and capacity needed to identify, finance, manage, and report sustainable activities. This work complements IFC investments in financial institutions and supports the development of sustainable-finance markets.

The Sustainable Banking and Finance Network (SBFN) supports comparability of sustainability information and interoperability of sustainable-finance taxonomies across markets. In fiscal 2026, it contributed to Taxonomy Roadmap Initiative knowledge products on cross-market comparability.[23] IFC's Green Banking Academy (GBAC) builds the capacity of financial institutions to identify, originate, and manage green-finance opportunities. Since 2018, it has trained more than 53,100 finance professionals through market-level programs and awarded 976 scholarships for specialized programs.

Through its Beyond the Balance Sheet program, IFC partnered with the United Nations (UN) Sustainable Stock Exchanges Initiative and the International Financial Reporting Standards (IFRS) Foundation to provide training on IFRS S1 and S2, reaching more than 8,000 participants across 15 emerging and developing countries.[24] A board-level program developed with those organizations and the Chapter Zero Alliance was piloted in March 2026 with 400 participants, including IFC nominee directors.[25]

IFC's Corporate Governance Advisory programs also support regulators and stock exchanges in developing sustainability-disclosure frameworks. In fiscal 2026, related activities included work in South Africa, Peru, Nepal, and Bangladesh. The Sustainable Banking and Finance Network released a toolkit[26] and convened a workshop[27] to strengthen regulatory and banking-sector capacity for sustainability reporting.

17. Information about WBG Country Engagement and the Directive on Country Engagement (Country Partnership Framework – CPF) can be found here.
18. See report on *Jobs in a Changing Climate: Insights from World Bank Group Country Climate and Development Reports* covering 93 economies here.
19. See more information on Anticipated Impact Measurement and Monitoring here.
20. MDB Common Principles for Tracking Nature Finance can be found here.
21. MDB Common Nature Finance Taxonomy can be found here.
22. Guidelines for Blue Finance Version 2.0 can be found here.
23. Information about SBFN knowledge products can be found here.
24. Information about Training on the IFRS Sustainability Disclosure Standards can be found here.
25. Board-Oversight of International Sustainability Standards Board (ISSB)-Aligned Reporting can be found here.
26. SBFN Toolkit: Monitoring Sustainable Finance for the Banking Sector can be found here.
27. Information on 2026 SBFN Sustainability Reporting Workshop can be found here.

CARBON PRICING AND CARBON MARKETS

The WBG helps countries use carbon pricing and carbon markets as instruments in support of low-carbon and climate-resilient development. This work includes policy design, institutional capacity, market infrastructure, and financing intended to support high-integrity carbon assets and mobilize private investment.

In fiscal 2026, IFC made three commitments totaling more than $135 million to projects with carbon-market exposure. IFC applies internal due-diligence criteria, supports recognized integrity standards,[28] and engages with market participants on pricing, nature-based finance, insurance, transparency, scalability, and standardization.

CLIMATE TECHNOLOGIES, GREEN AND RESILIENT BUILDINGS, AND SUSTAINABLE COOLING

IFC's cross-sector climate-technology work supports business development, advisory activities, and transactions involving solutions that are not yet fully mainstreamed in emerging markets. In fiscal 2026, areas of engagement included energy storage, e-mobility, sustainable cooling, nuclear energy, carbon capture and storage, and methane reduction.

IFC supports green and resilient buildings through standards and tools including Excellence in Design for Greater Efficiencies (EDGE), the Building Resilience Index, and Eco-Industrial Park Certification. These combine advisory support, sustainability standards, and financing to improve resource efficiency, resilience, and investment readiness.

The WBG Sustainable Cooling and Heat Resilience Initiative addresses cooling needs across buildings, manufacturing, agribusiness and cold chains, health and education, transport, and infrastructure. IFC's Cooling Innovation Facility provides technical advice and grants to pilot innovative technologies.

ADAPTATION AND RESILIENCE

The private sector has an important role in adaptation and resilience because climate impacts materialize through assets, operations, supply chains, financial portfolios, and markets. Firms can also develop and scale resilient infrastructure, risk-management products, digital tools, and other solutions that strengthen the resilience of people, ecosystems, and economies.

IFC's approach has two complementary dimensions: helping clients strengthen the resilience of their assets, operations, and portfolios; and financing companies that provide adaptation and resilience technologies, products, and services. IFC also works with financial intermediaries to expand access to these solutions.

In fiscal 2026, IFC continued implementing its adaptation and resilience roadmap by strengthening client engagement on physical climate risk, scaling investment in resilience solutions, expanding financial and advisory instruments, and improving the measurement and disclosure of adaptation outcomes.

IFC CORPORATE SUSTAINABILITY

IFC manages the environmental and climate-related impacts of its corporate activities within shared WBG policies, systems, and oversight arrangements.[29] Because facilities, procurement, corporate GHG accounting, and certain targets are managed through WBG-wide functions, this subsection distinguishes shared WBG arrangements from results that are separately attributable to IFC. IFC-specific emissions results are presented in the Metrics section.

IFC facilities are managed within the WBG's real-estate framework, which considers physical climate risks such as property damage, business interruption, and higher insurance costs. Relevant measures include facility maintenance, emergency response and recovery planning, risk engineering, energy- and water-efficiency measures, renewable energy, and green-building certification.

IFC's corporate emissions from internal business operations are part of the WBG's GHG inventory, which follows the GHG Protocol and is independently verified.[30,31] The WBG inventory uses site-specific facility data and also covers selected Scope 3 categories, including business air travel, contractor-owned vehicles, and headquarters food purchases. The Metrics section presents IFC's Scope 1 and 2 emissions separately and describes applicable IFC and WBG targets and progress to date.

IFC also participates in WBG arrangements for purchasing and retiring eligible carbon credits and renewable-energy certificates for corporate emissions within its inventory.[32] The treatment of these instruments and the basis for WBG carbon-neutrality claims are governed by institutional guidelines.

The WBG Sustainable Procurement Framework, Corporate Procurement Procedure, and Third-Party Risk Management Framework also apply to relevant IFC procurement activities. These arrangements provide for environmental and social considerations in sourcing, including specifications for lower-carbon materials and recognized eco-labels, consideration of suppliers' net-zero and science-based-target progress, and environmental requirements in the Vendor Code of Conduct.[33]

RISK MANAGEMENT

The Vice President and WBG Chief Risk Officer (CRO) oversees risk-management practices across the WBG, including IFC, and promotes cooperation and knowledge sharing. IFC's Risk Vice President oversees IFC-specific risk management. Processes for identifying, assessing, and responding to climate-related risks are integrated into IFC's risk-management framework.

WBG-wide committees, including the Enterprise Risk Committee, chaired by the CRO, strengthen integrated risk oversight and provide a forum for discussion, escalation, and decisions on enterprise-wide risks, including interdependencies and emerging issues.

The Corporate Risk Committee (CRC) is an IFC Management Committee primarily responsible for overseeing risks to IFC not covered by the WBG committees. The CRC reviews and approves institutional risk-related matters, including those related to climate.

As part of its Annual Risk Report, IFC conducted an Extreme Weather Events Stress Test on its loan portfolio, applying the Network for Greening the Financial System Extreme Weather Events scenario.

IFC's enterprise risk management (ERM) framework supports prudent management of financial, non-financial, and reputational risks arising from IFC's activities while enabling development impact and financial sustainability.

IFC defines climate risk as follows:

"Climate Risk encompasses the actual or potential negative effects of climate-related conditions and events on IFC's investments, corporate operations, reputation, or consolidated financial statements. There are two primary climate-related risk categories: (1) physical risks and (2) transition risks, which could carry financial and non-financial implications for IFC.

Physical risks include both "acute" and "chronic" physical risks to business operations. Acute physical risks are event-driven, stemming from short-term extreme weather events like hurricanes, floods, tornadoes, wildfires, storms, drought, or heatwaves. Chronic physical risks emerge from longer-term shifts in climate patterns, such as progressive changes in precipitation and temperature, which could lead to rising sea levels, alteration of ecosystems, desertification, water scarcity, soil degradation, and deterioration of marine ecology.

Transition risks are attributable to the global shift toward a lower-carbon economy. These risks are multifaceted and arise from changes in law or regulation, public policies, technological breakthroughs, shifts in investor and public sentiment, and disruptive innovations in business models aimed at addressing climate change.

These risks could carry financial and non-financial implications for IFC."

IFC's ERM framework follows a shared-responsibility principle and the three-lines model. IFC's risk taxonomy identifies climate risk within the Strategic and Business risk domain.

- **1st Line** – Staff in IFC's business-origination, revenue-generating, and client-facing areas, including staff of the WBG Climate department who evaluate and/or support operational teams in evaluating relevant aspects of transition and physical risk, together with associated Investment, Advisory, Treasury, and other support functions that are not independent risk, control, or compliance functions.
- **2nd Line** – Independent Risk, Controllers, Legal, Compliance, and Communications functions provide oversight and challenge over IFC's risk activities.
- **3rd Line** – Group Internal Audit provides independent assurance and advice.

Management's responsibility to achieve organizational objectives comprises both first- and second-line roles. IFC continues to strengthen capacity-building initiatives to enhance staff knowledge in climate-related risk management, opportunities, strategy, and reporting.

28. Integrity Council for the Voluntary Carbon Market's (ICVCM) recommendations for strengthening carbon market infrastructure and systems can be found here.
29. Information on IFC's own Corporate, Environmental and Social Responsibility can be found here.
30. Emissions from WBG corporate activities include four major GHGs: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). There are no known biogenic emissions or emissions from sulfur hexafluoride (SF_6), nitrogen trifluoride (NF_3), and perfluorocarbons (PFCs). In addition, the GHG inventory includes emissions from chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) as supplemental emissions, both of which are optional for inventory and reporting purposes according to GHG Protocol and Environmental Protection Agency Climate Leaders guidance.
31. WBG GHG Emissions Inventory Management Plan can be found here.
32. Guidelines and Criteria for Selection of Emission Reduction Offsets can be found here.
33. WBG Vendor code of conduct can be found here.

FIRST LINE OF DEFENSE: ASSESSMENT AND MANAGEMENT OF CLIMATE-RELATED RISKS AT THE TRANSACTION LEVEL

The WBG Climate department supports IFC investment teams in evaluating relevant physical and transition risks for Paris Alignment. IFC uses the Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment (Joint MDB Principles) as the basis for these assessments.[34]

In fiscal 2026, IFC codified how it applies the Joint MDB Principles within its operating model.

By fiscal 2026, IFC had operationalized its Paris Alignment methodology, processes, systems, and documentation for relevant real-sector, financial-intermediary, and fund investments. These systems support reporting to the Board on the percentage of financing assessed for Paris Alignment, climate co-benefits, and the results of transaction- and counterparty-based physical and transition-risk assessments.

PHYSICAL RISK

During appraisal, IFC project teams assess how climate hazards could affect project financial performance. Potentially material risks are analyzed further and, where needed, addressed through client actions, including operational or capital measures.

The assessment considers exposure and vulnerability, measures to manage material risks, and consistency with the relevant national context for climate resilience.

TRANSITION RISK

During appraisal, IFC project teams assess consistency with national climate policies (Nationally Determined Contributions, Long-Term Strategies, etc.) and low-carbon pathways and consider carbon lock-in and stranded-asset risks.

Under IFC's Green Equity Approach, financial-institution clients in which IFC has equity or equity-like exposure commit to reduce coal-related exposures to close to zero by 2030 and not originate or finance new coal-fired power projects after IFC becomes a shareholder.[35]

IFC's Performance Standards require clients to implement technically and financially feasible resource-efficiency and GHG-reduction measures. Projects expected to emit, or currently emitting, more than 25,000 tCO_2e/year must quantify and report Scope 1 and 2 emissions. The Performance Standards also require clients to identify and assess climate-related risks to environmental and social performance.

ENHANCING CLIENTS' CLIMATE CO-BENEFITS TRACKING CAPACITY TO SUPPORT TRANSITION RISK MANAGEMENT FOR IFC INVESTMENTS IN FINANCIAL INSTITUTIONS

IFC provides its Climate Assessment for Financial Institutions (CAFI) platform to help client financial institutions assess climate eligibility and estimate development impacts. In fiscal 2026, IFC continued updating CAFI to align with the latest MDB guidance and criteria for tracking climate co-benefits and related activity categories, including blue finance. The platform supports climate co-benefits tracking but does not, by itself, demonstrate a reduction in IFC's transition-risk exposure.[36]

SECOND LINE OF DEFENSE: ASSESSMENT AND MANAGEMENT OF CLIMATE-RELATED FINANCIAL RISKS IN THE INVESTMENT PORTFOLIO

The Risk Vice Presidency maintains IFC's financial and risk-policy frameworks, covering both financial and non-financial risks, and provides independent oversight and challenge.

Corporate Risk Management advances integration of climate risk into IFC's ERM framework in line with its second-line responsibilities. Its current climate-related work includes portfolio-level risk assessment, methodology development, monitoring, and reporting.

NEW WBG ENVIRONMENTAL & SOCIAL (E&S) STRUCTURE AND POLICY UPDATE PROCESS

In fiscal 2026, under the One WBG approach to environmental and social (E&S) risk management, the WBG continued efforts to strengthen, simplify, and better align E&S policies, standards, and guidance across the institution.

IFC and MIGA advanced their multi-year review of the Sustainability Frameworks, including the Performance Standards, Sustainability Policies, and Access to Information Policies. The updated private sector Sustainability Framework is expected to provide a fit-for-purpose E&S risk management approach commensurate with the scale and complexity of IFC and MIGA products and portfolios. IFC and MIGA also worked with IBRD/IDA to increase alignment with IBRD/IDA's Environmental and Social Framework (ESF), including development of a shared Vision Statement and private sector standards more closely aligned with the ESF. The ongoing update of the WBG Environmental, Health, and Safety (EHS) Guidelines is engaging with key stakeholders to reflect international practices, update references, and incorporate emerging topics.

As part of the broader WBG functional integration, a new integrated E&S risk structure became effective in fiscal 2026. Under this structure, E&S responsibilities are formally separated between "E&S Makers" (frontline operational teams responsible for E&S execution) and "E&S Checkers" (a centralized risk monitoring unit providing independent oversight). The CRO oversees the global WBG E&S Risk department, which provides independent, second-line oversight of E&S risks across WBG operations to help appropriately identify, assess, monitor, and mitigate risks.

THIRD LINE OF DEFENSE: GROUP INTERNAL AUDIT

Group Internal Audit (GIA) is an independent assurance and advisory function that assesses whether governance, risk-management, and control processes are appropriately designed and operating effectively across the WBG. Recent climate-related work includes a review of CCAP implementation.

GIA's annual reports, available on its website, summarize institution-level governance, risk-management, and control issues.[37]

METRICS

The WBG monitors climate-related outcomes, financing, risk-management commitments, and corporate-practice targets. The discussion below distinguishes development outcomes from financial inputs and operational emissions metrics.

WBG SCORECARD METRICS

The WBG Scorecard, launched in fiscal 2024, provides a common framework for transparency, management, and accountability across WBG institutions. It combines eight Vision Indicators, client-context indicators, 22 WBG Results Indicators, and results narratives.

Two Vision Indicators relate directly to climate: global GHG emissions and the share of people at high risk from climate-related hazards.[38]

Two WBG Results Indicators are explicitly climate-related: net GHG emissions per year and the number of people with enhanced resilience to climate risks from WBG-supported operations.

The Scorecard reports on both the results achieved to date and the results expected for active projects. The information used is based on either actual data from our clients or model-based estimates, following specific rules outlined in the methodology notes; results indicator data are updated annually.

Net GHG emissions per year. Annualized estimates of expected net GHG emissions are typically calculated as the difference between project emissions and the emissions of a baseline scenario (counterfactual), aggregated over the economic lifetime of the project. Net GHG Emissions Expected values are estimated ex-ante (i.e., during project preparation) at the project level using approved GHG accounting methodologies. The indicator value is negative if the project is reducing emissions compared with the baseline scenario, and positive if the project is increasing emissions compared with the baseline scenario. The World Bank Group is working on developing a methodology to capture the Net GHG Results Achieved which aims to capture achieved net GHG emissions values during project implementation.

Number of people with enhanced resilience to climate risks from WBG-supported operations. This indicator is defined as the number of people directly benefiting from improved climate risk management and increased climate resilience due to eligible investments. This considers how interventions enhance the resilience of

34. The Joint MDB Methodological Principles for Paris Alignment can be found here and provide two options to assess Paris Alignment: (1) the Transaction-based approach, when the use of proceeds is defined or targeted, and (2) the Counterparty-based approach, when use of proceeds is undefined or not targeted.
35. Information about IFC's Green Equity Approach can be found here.
36. With donor support, IFC created the CAFI platform, a transparent algorithm harmonized with MDB approaches to support IFC client banks in tracking financing with climate co-benefits. IFC also selectively licenses the tool to other MDBs.
37. The Group Internal Audit website can be found here.
38. WBG Scorecard indicator definitions and methodologies can be found here.

their beneficiaries by including structural investments, non-structural or capacity development elements, and improvements to the enabling environments and institutional frameworks for climate resilience. These interventions could include, for example: access to climate resilient infrastructure, climate-smart agriculture, food, and water, early warning systems, enhanced climate disaster response, and support to livelihoods, education, financial mechanisms, and social safety nets. People captured as beneficiaries with increased climate resilience may be all or a sub-set of targeted project or component beneficiaries, and/or could be a broader population depending on the activity type and reach. Results achieved can be based on actuals at the project level or can use model-based estimations at the portfolio level relying always on available project level data inputs.

Other Scorecard indicators, such as renewable-energy capacity enabled and terrestrial and aquatic areas under enhanced conservation or management, also capture outcomes related to climate-smart development. Current coverage of the two climate results indicators does not yet extend to every WBG product and operation. Methodology work and pilots are under way to broaden product coverage and, for GHG emissions, to complement ex-ante estimates with ex-post measurement over time.

OUTCOME TARGETS AND CLIMATE CO-BENEFITS

The WBG's outcome targets translate strategy into measurable delivery and are tracked through the Scorecard and Outcomes Target Map. Mission 300, AgriConnect, Water Forward, and related targets for health, broadband, and access to capital are closely linked to climate co-benefits and outcomes through sustainable energy, resilient food and water systems, reduced vulnerability, and climate-smart private investment.[39]

Current Scorecard results, methodologies, and progress against WBG outcome targets are available on the WBG Scorecard website.[40]

The MDB Common Approach to Measuring Climate Results provides a shared framework for linking global mitigation and adaptation progress with MDB-supported outcomes and continues to evolve as institutions test common indicators.[41]

IFC CLIMATE RESULTS

In fiscal 2026, IFC scaled up development finance with climate co-benefits. Total long-term finance commitments with climate co-benefits, comprising own-account commitments and core mobilization, reached $36.4 billion, an increase of 48 percent over fiscal 2025. This represented 44 percent of total long-term finance commitments, below the fiscal 2026 target of 45 percent.

Within this total, own-account long-term finance commitments with climate co-benefits increased by 13 percent to $9.2 billion, from $8.1 billion in fiscal 2025. These commitments represented 43 percent of own-account long-term finance, compared with 45 percent in fiscal 2025.

Core mobilization with climate co-benefits increased by 66 percent to $27.2 billion, from $16.4 billion in fiscal 2025. Climate co-benefits represented 45 percent of core mobilization, compared with 43 percent in the previous year. Separately, IFC reported $32.8 billion in private capital mobilization associated with climate co-benefits, compared with $19.3 billion in fiscal 2025. The ratio of private capital mobilization associated with climate co-benefits to own-account commitments with climate co-benefits reached 3.6x.[42]

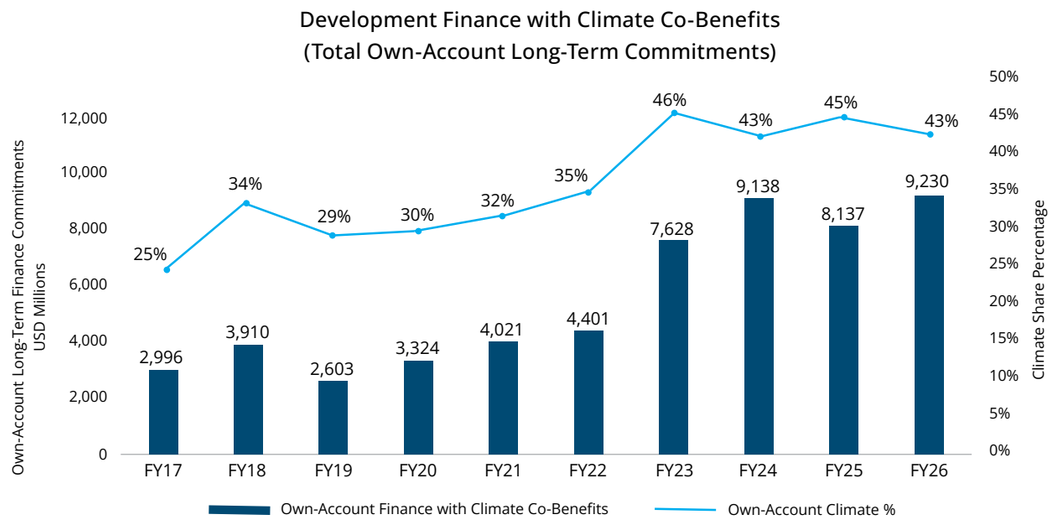
Own-account commitments with adaptation co-benefits reached a record $806 million, an increase of 44 percent over fiscal 2025. Across own-account long-term finance and core mobilization, commitments with adaptation co-benefits reached $5.2 billion, an increase of 22 percent over fiscal 2025.

Climate co-benefits are tracked on a commitment basis and identified against the applicable joint MDB methodologies. The reported amounts reflect financing attributed to eligible activities and depend on project design. IFC also contributes to joint MDB climate finance reporting as part of the World Bank Group, through annual reports and related data tools.[43]

Paris Alignment screening is distinct from climate co-benefits tracking: it assesses consistency with the objectives of the Paris Agreement and relevant risks rather than determining climate co-benefits. In fiscal 2026, IFC assessed 100 percent of new eligible investments to be Paris aligned against the applicable joint MDB methodologies.

39. WBG Priorities: Target and Progress can be found here.
40. The World Bank Group Scorecard can be found here.
41. Common Approach announcement can be found here.
42. Core mobilization covers qualifying third-party long-term finance for which IFC plays an active and direct mobilization role. Private capital mobilization covers direct and indirect mobilization from private entities under the applicable corporate definition. These measures overlap and should not be added together.
43. See the 2025 Joint Summary Report on Multilateral Development Banks' Climate Finance here and the World Bank resources page linking to the joint MDB dashboard and previous reports here.

FIGURE 2: IFC OWN-ACCOUNT LONG-TERM DEVELOPMENT FINANCE WITH CLIMATE CO-BENEFITS: TEN-YEAR TREND



GHG ACCOUNTING AND EMISSIONS FROM IFC INVESTMENTS

International financial institutions (IFIs) use GHG accounting to estimate emissions associated with investment operations. Since 2012, the WBG has worked through the IFI GHG Accounting Group with other MDBs, development finance institutions, banks, and the UN Framework Convention on Climate Change (UNFCCC) to harmonize approaches. This collaboration produced a harmonized framework and sector-specific guidance.

GROSS GHG EMISSIONS

Under IFC's Policy on Environmental and Social Sustainability and Performance Standards, clients report ex-ante project-level gross GHG emissions for real-sector projects expected to emit more than 25,000 tCO_2e/year. IFC discloses these project-level estimates through its public project-information portal under the Access to Information Policy.[44,45]

IFC applies harmonized IFI methods and sector-specific approaches to estimate gross ex-ante emissions where data and methodologies are available. Gross emissions represent the expected annual emissions of the supported activity.

Fiscal 2026 data indicate expected annual gross emissions of approximately 19.2 million tCO_2e from IFC commitments for which data and methodologies are available. For real-sector projects, gross emissions include Scopes 1 and 2. The estimates are not adjusted for IFC's share of project financing and are not IFC financed emissions under Scope 3, Category 15.

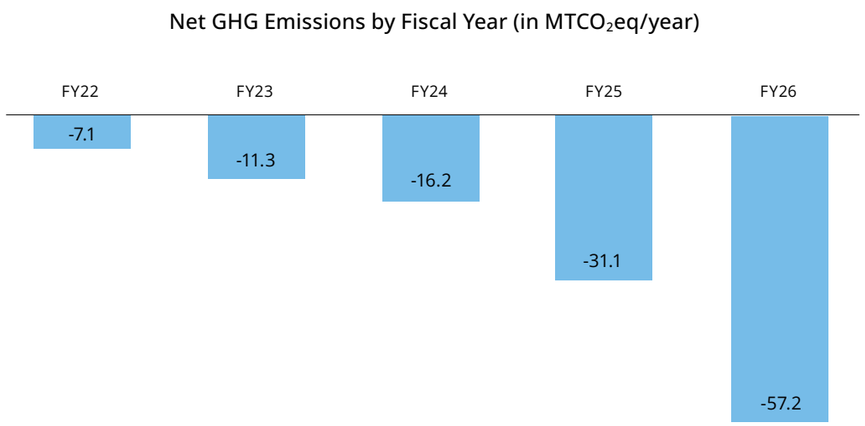
IFC also applies a shadow price of carbon in economic analysis for selected investments in cement, chemicals, and thermal power generation with annual emissions above 25,000 tCO_2e. Board documentation reflects the resulting effect on economic returns and viability.[46]

NET GHG EMISSIONS

The WBG Scorecard tracks net GHG emissions under its climate-related outcome area. IFC applies harmonized IFI methods and sector-specific approaches to estimate baseline and net ex-ante emissions where data and methodologies are available. Baseline emissions represent the counterfactual scenario; net emissions are the difference between expected annual project emissions and that baseline.

44. IFC Project Information and Data Portal can be found here.
45. IFC Access to Information Policy (Amended November 25, 2013) can be found here.
46. Carbon Pricing Leadership Coalition can be found here.

FIGURE 3: IFC NET GHG EMISSIONS



For fiscal 2026, IFC investments with available data and methodologies are expected to reduce or avoid approximately 57.2 million tCO_2e/year relative to their baseline scenarios. Figure 3 reports the net GHG emissions associated with investments committed in each fiscal year and therefore represents an annual flow measure. This differs from the Scorecard indicator, which aggregates annual net emissions across the active portfolio in a given period. Across the fiscal 2022–2026 period, net emissions have averaged -24.6 million tCO_2e/year. These are ex-ante estimates; reported coverage and methodology limitations should be considered when interpreting or comparing results.

METRICS FOR IFC CORPORATE ACTIVITIES

IFC tracks two corporate emissions-reduction targets: reducing Scope 1 and 2 emissions from IFC's global facilities by 20 percent by 2026 from a 2016 baseline; and, under the Cool Food Pledge, reducing absolute emissions from headquarters food purchases by 25 percent or emissions intensity per 1,000 kilocalories by 38 percent by 2030 from a 2019 baseline. IFC's 20 percent facilities target contributes to the WBG-wide target of a 28 percent reduction over the same period.

In fiscal 2025, IFC facility-related Scope 1 and 2 emissions were 36 percent below the 2016 baseline (13,263 tCO_2e). IFC headquarters food-related absolute emissions were 7.4 percent above the 2019 baseline (3,269 tCO_2e), while emissions intensity per 1,000 kilocalories was 21.6 percent below baseline (12.86 CO_2e per 1,000 kcal).[47] Final performance against the facilities-related target will be reported after fiscal 2026 emissions are calculated and verified in fiscal 2027.[48]

IFC also measures Scope 3 GHG emissions from business air travel (Category 6: Business Travel), contractor-owned vehicles (Category 8: Upstream Leased Assets), in accordance with the GHG Protocol, and food purchases at headquarters (Category 1: Purchased Goods and Services), calculated with the World Resources Institute's Cool Food Pledge (see Table 2).

The GHG emissions from business air travel, which represent most of IFC's reported corporate Scope 3 emissions, slightly decreased in fiscal 2025 compared to fiscal 2024. Increased office activity continues to contribute to high GHG emissions from food purchases at headquarters, while ongoing efforts to promote more sustainable food options helped reduce emissions intensity per 1,000 kcal. Improvements in our data collection process also resulted in more accurate calculation of the GHG emissions from contractor-owned vehicles and the Scope 1 and 2 emissions intensities in fiscal 2025 compared to fiscal 2024.

47. The metric is calculated and provided by the World Resources Institute's Cool Food Pledge initiative. Because the figures presented in this report are rounded, progress recalculated using the reported figures may differ slightly from the reported progress. More information can be found here.
48. Data lags by one fiscal year due to timing of data collection. For additional information on methodology and calculations, please refer to the WBG GHG Inventory Management Plan, which can be found here.

TABLE 1: IFC SCOPE 1, 2, AND 3 GHG EMISSIONS (tCO_2e)

GHG EMISSIONS[49]	FY21[50]	FY22	FY23	FY24	FY25
Scope 1	970	1,022	1,026	1,195	1,049
Scope 2	7,275	7,386	7,428	6,990	7,502
Scope 3	1,190	13,369	45,050	51,568	49,477

TABLE 2: IFC SCOPE 3 GHG EMISSIONS (tCO_2e)

SCOPE 3 GHG EMISSIONS	FY21	FY22	FY23	FY24	FY25
Global Business Air Travel (with radiative forcing)	1,180	12,694	42,674	47,940	45,877
Contractor-owned Vehicles	10	21	16	116	91
Headquarters Cool Food Pledge	0	654	2,360	3,513	3,509
IFC Total	**1,190**	**13,369**	**45,050**	**51,568**	**49,477**

TABLE 3: IFC EMISSION INTENSITIES FOR SCOPE 1 AND 2 (tCO_2e per square meter)[51]

EMISSION INTENSITIES	FY21	FY22	FY23	FY24	FY25
Scope 1 and 2 (tCO_2e per square meter)	.054	.052	.053	.054	.061

IFC's portion of the WBG GHG inventory is subject to EY's limited assurance review as part of the review of IFC's Annual Report.

LOOKING AHEAD

The WBG will continue to bring integrated public- and private-sector climate-smart development solutions to clients through joint country teams, the Knowledge Bank, sector departments, and country engagement.

IFC will continue integrating climate into sector strategies and client solutions while strengthening Paris Alignment, climate co-benefits tracking, GHG accounting, adaptation and resilience, sustainable finance, and measurement of development outcomes.

IFC will further develop its industry-based scoring, heatmap, and scenario analyses to assess climate transition and physical risks in its investment portfolio.

IFC will also improve data governance, methodologies, and reporting systems to expand outcome coverage, strengthen traceability, and support assurance and audit.

As disclosure standards evolve, IFC will continue to refine its reporting in ways that are relevant to its development mandate, operating model, and stakeholders.

49. Data cover IFC's corporate activities; facility data are for all IFC facilities worldwide. Scope 2 emissions are location-based. Scope 3 includes only the corporate categories shown in Table 2 and excludes financed emissions (Category 15). Scope 3 business air travel emissions include radiative forcing. Details have been captured in the Inventory Management Plan.
50. IFC facilities were closed or at reduced occupancy and travel was at a minimum for most of fiscal 2021.
51. IFC emission intensities for Scope 1 and 2 have been provided. IFC Scope 3 emissions intensities based on full-time staff will be made available starting with the fiscal 2026 data.

DISCLAIMER

The information set forth in this report is expressed as of June 30, 2026, and is being provided by the International Finance Corporation (referred in this document as "IFC"). The report has been prepared to disclose climate-related financial risks and opportunities for stakeholders, is not intended to be comprehensive, and does not constitute investment, financial, economic, accounting, legal, or tax advice or recommendations. Users of this report must consult with their own advisors and rely on their own analysis of IFC and its climate-related risks and risk practices discussed, to determine the suitability of this disclosure for their purposes.

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This report includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.

The precision of different measurement techniques may also vary. IFC reserves the right to update its measurement techniques and methodologies in the future.

The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

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