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# Sustainable Development through Sustained Innovative Financing

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# Outline

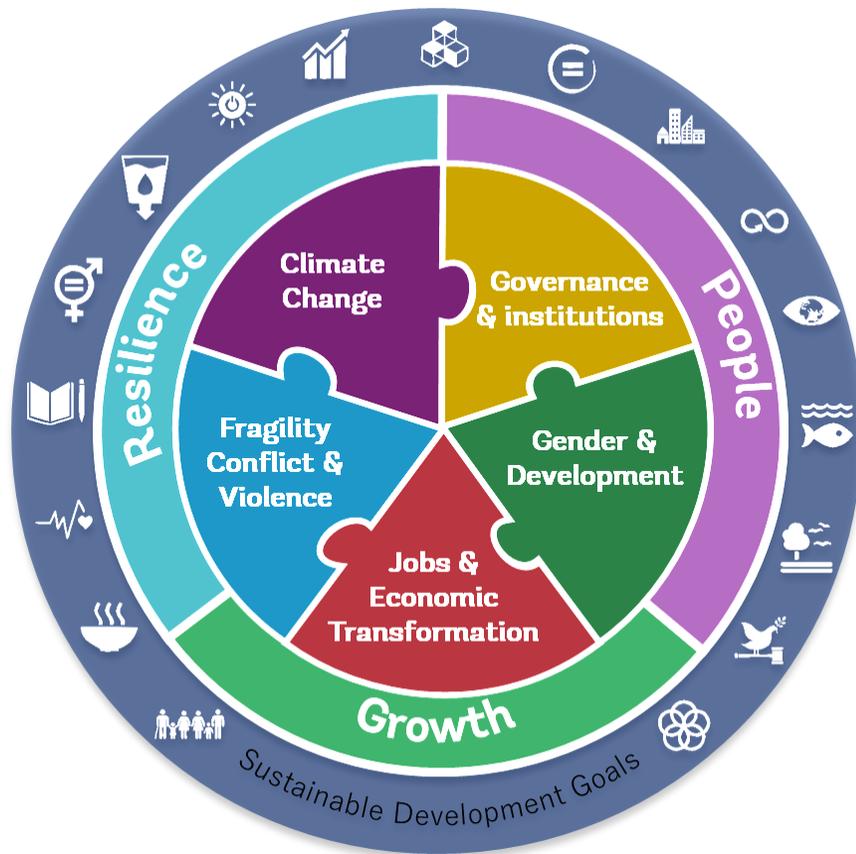
- I. IDA Sustainable Financing
- II. World Bank Group's Climate Change Action
- III. WBG Korea Office

# IDA Sustainable Financing



# Ten Years to 2030: Growth, People, Resilience

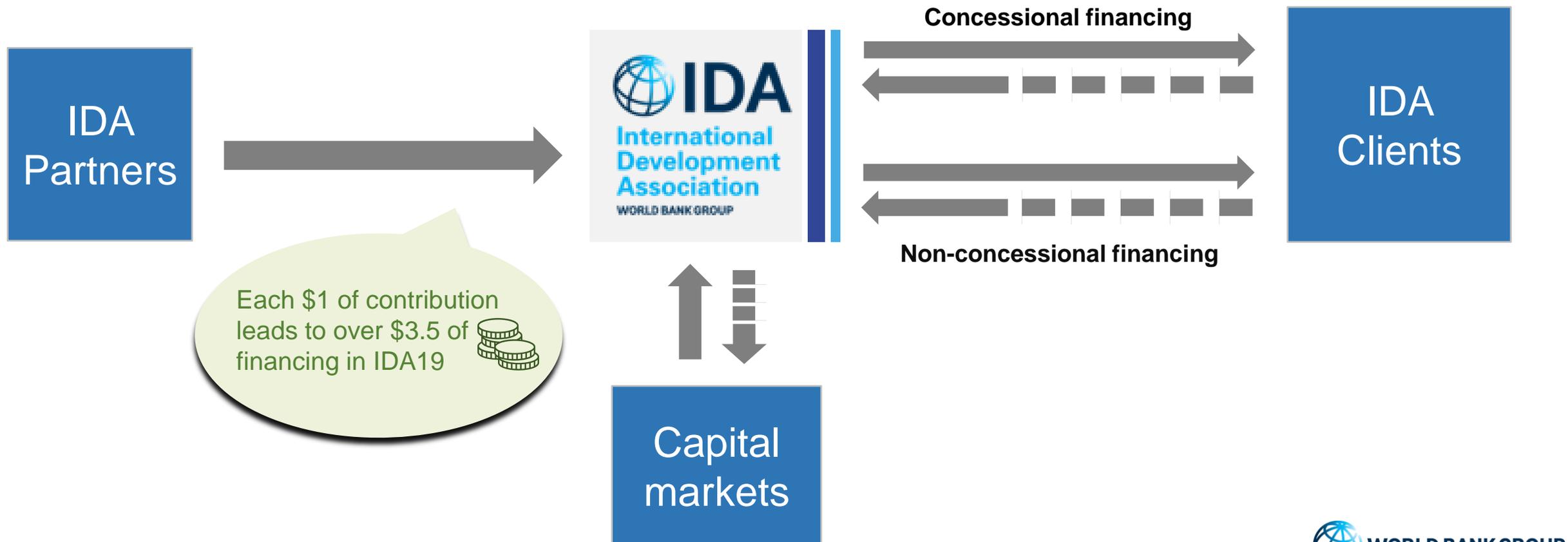
## IDA19 Special Themes



-  Debt
-  Human Capital
-  Technology
-  Disability
-  Migration
-  Quality Infrastructure
-  Regional Program

# Transformation of IDA's Financing Model

A New Hybrid Model initiated in IDA18 (July 1, 2017 to June 30, 2020)

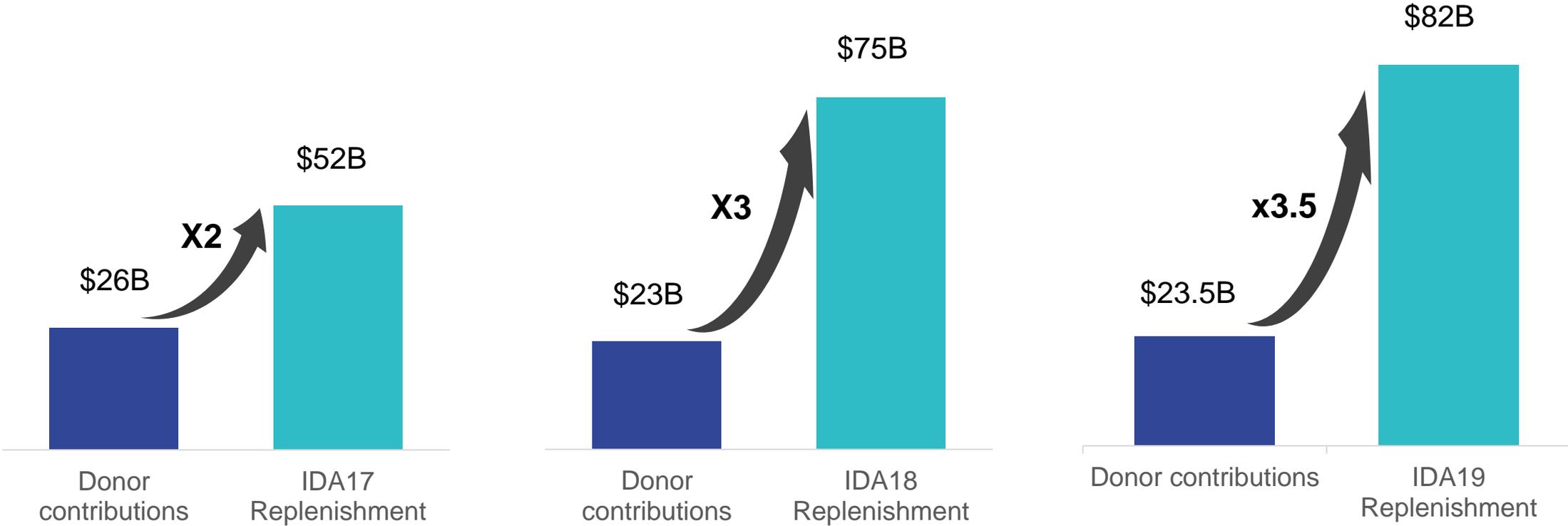


# Scale-up in IDA's Financing to Clients and Value for Money for Partners

2013: IDA17

2016: IDA18

2019: IDA19



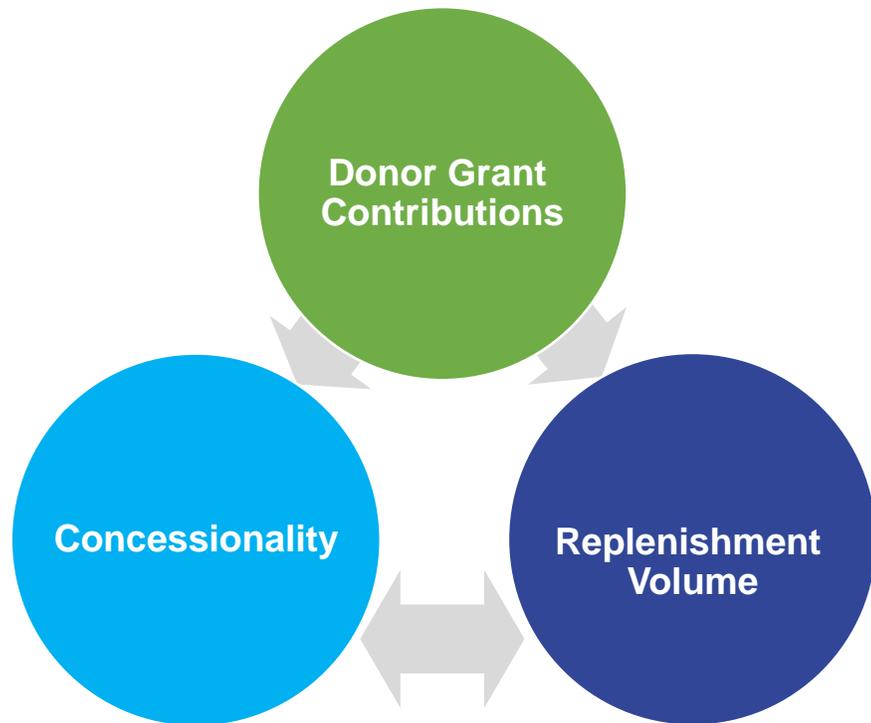
Source: IDA17 Replenishment Final Report

Source: IDA18 Replenishment Final Report

Source: IDA19 Replenishment Final Report

# Strengths of IDA's Financing Model

## Levers of Financing Framework



- IDA's public policy **mandate**, track record of **shareholder support**, and the high quality of **governance**
- IDA's significant **equity buffer** and ample and well-managed liquidity
- Although the average credit quality of IDA's loan portfolio is lower than other MDBs, these **exposures are well-diversified, supported by track record of repayments, and offset by very high levels of capital**
- Continued **strong partner contributions** with explicit compensatory mechanisms for grant financing and debt relief
- 3-year replenishment cycle (2 years in IDA19), together with mid-term reviews and bi-annual shareholder meetings, provides a robust process for **ongoing review and adjustment of financial framework** as needed

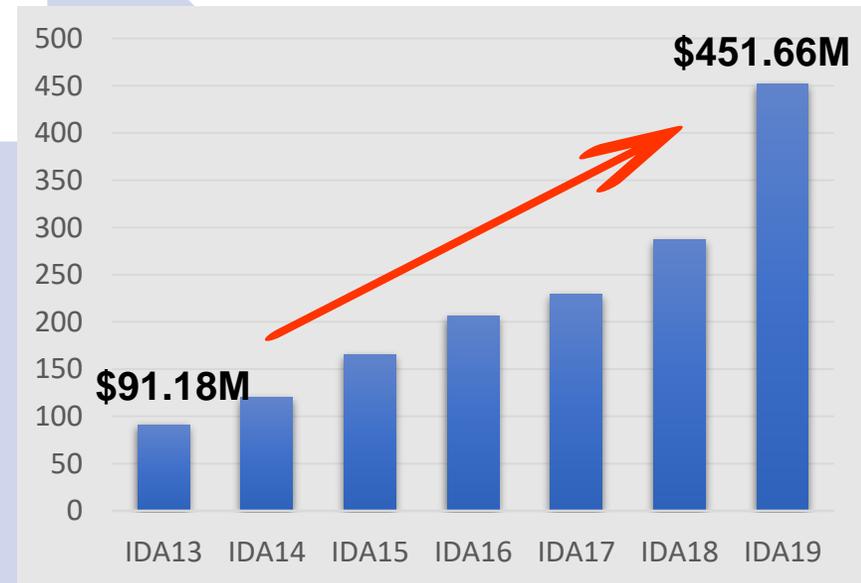
# Korea – IDA Partnership



Joined the IBRD on August 26, 1955  
Became a beneficiary of IDA in 1961



Became a DAC member in 2010  
Transformed to a significant donor



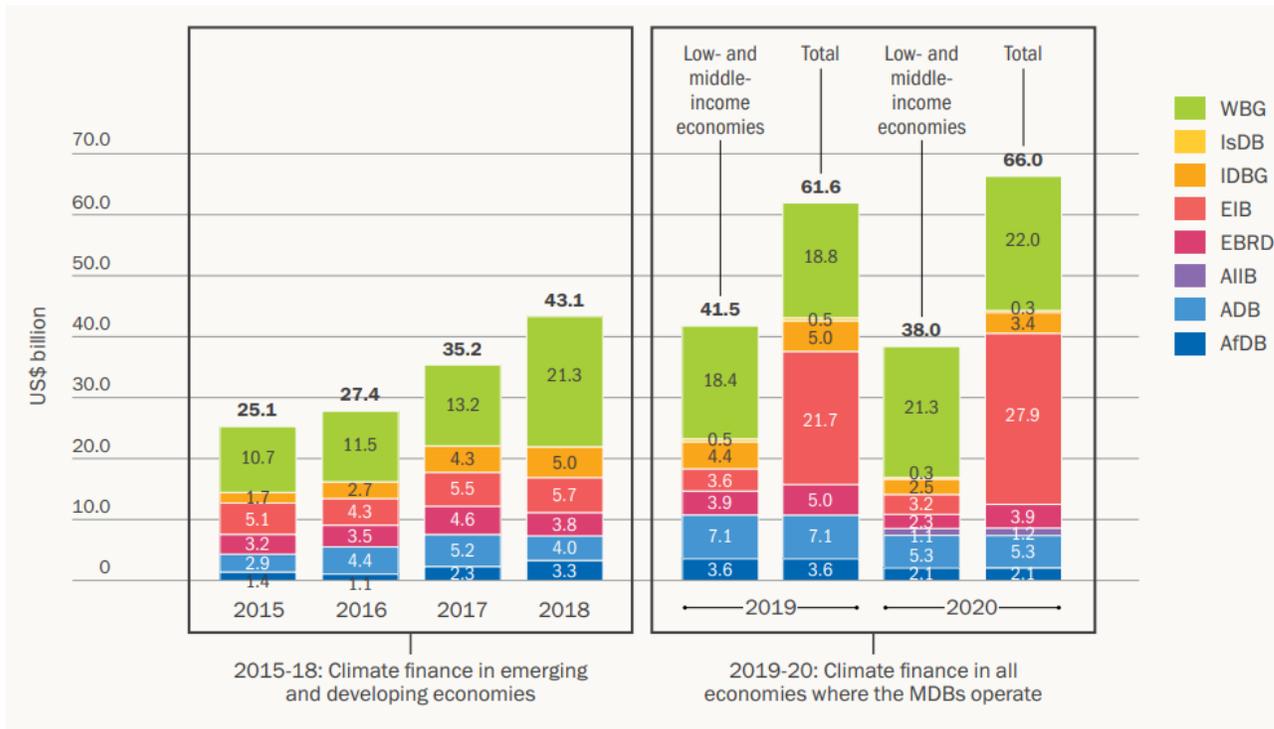
Korea's Contribution History in IDA Replenishment (US\$ SDR)

# World Bank Group's Climate Change Action



# WBG's Commitments on Climate Change Action

MDBs' climate co-benefit finance commitments 2015-20 (in US\$ billion)



- 

**Integrating climate change in projects and strategies**
- 

**Restoring landscapes and improving land use practices**
- 

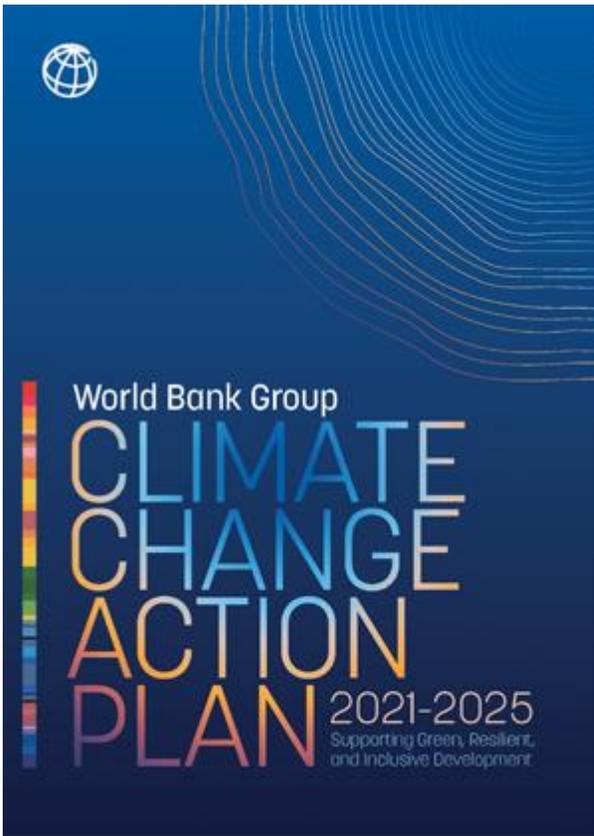
**Protecting the vulnerable from climate shocks**
- 

**Encouraging the shift to low-carbon energy while expanding access**
- 

**Shifting to lower-carbon transportation**

Source: 2020 Joint Report on Multilateral Development Banks' Climate Finance

# WBG Action Plan on Climate Change Adaptation and Resilience



## PRINCIPLES



PEOPLE



NATURE



PARTNERS

## GRID FRAMEWORK



## PILLARS

- 1 Integrating climate and development
- 2 Prioritizing key systems transitions
- 3 Driving climate finance to deliver the most results

# Prioritizing Key Systems Transitions

The WBG is supporting transformative interventions across 5 key systems – **energy; agriculture, food, water, and land; cities; transport; and manufacturing** – which account for over 90% of global GHG emissions and are critical to achieving sustainable development goals.

## Acting across the key transitions



Over 81,200 annual GW hours of renewable energy generated through WBG operations in FY21



Almost \$3B in food and agriculture IBRD/IDA commitments in FY21 directly supported climate action



Nearly 60% of FY21 IBRD/IDA transport project financing generated mitigation and/or adaptation climate co-benefits



In advancing energy efficiency, FY21 World Bank projects achieved a projected lifetime energy savings of 22.3 million MWh and fuel savings of 80.4 million MJ



24.1 million tCO<sub>2</sub>e GHG emissions reductions in FY21 WBG operations

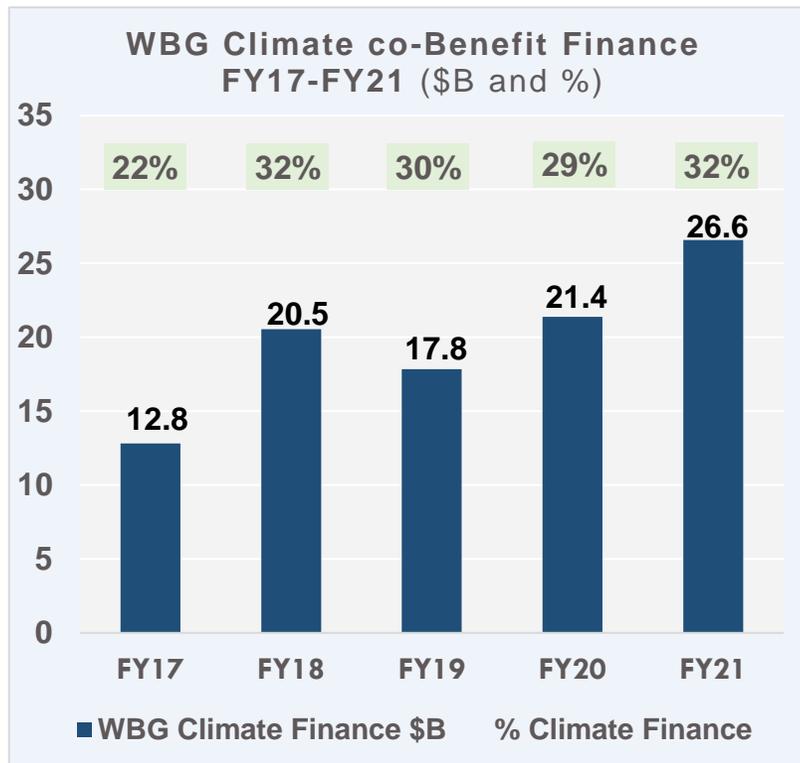


IFC committed \$4B of climate financing from its own account in FY21, including over \$1.2B in IDA eligible countries; MIGA committed \$1.3B, including \$230M in IDA eligible countries

# Achieved Record Level of Climate Co-benefit Finance

The WBG's climate financing continued an upward trend in FY21, reaching a record **\$26.6 billion (32%)**.

The new Action Plan has an ambitious new climate finance target: **35%** of WBG financing on average over FY21-25, and an IBRD and IDA target of at least **50%** of climate finance for adaptation.



## WBG Climate Finance (%):

35%

FY21-25  
average target

32%

FY21 achieved

29%

FY20 achieved

## WBG Climate Finance (\$ billion):

\$26.6B

FY21 achieved

\$16.7B

FY16-20 annual  
average

# World Bank Group at COP26

≡ In December 2020, WBG announced a new ambitious climate finance target

≡ In April 2021, announced to align its financing flows with the Paris Agreement

≡ In June 2021, released Climate Change Action Plan 2021-2025

≡ In October 2021, hosted Making Climate Action Count event

≡ Just ahead of COP26, issued a series of COP26 Climate Briefs



**UN CLIMATE  
CHANGE  
CONFERENCE  
UK 2021**

IN PARTNERSHIP WITH ITALY

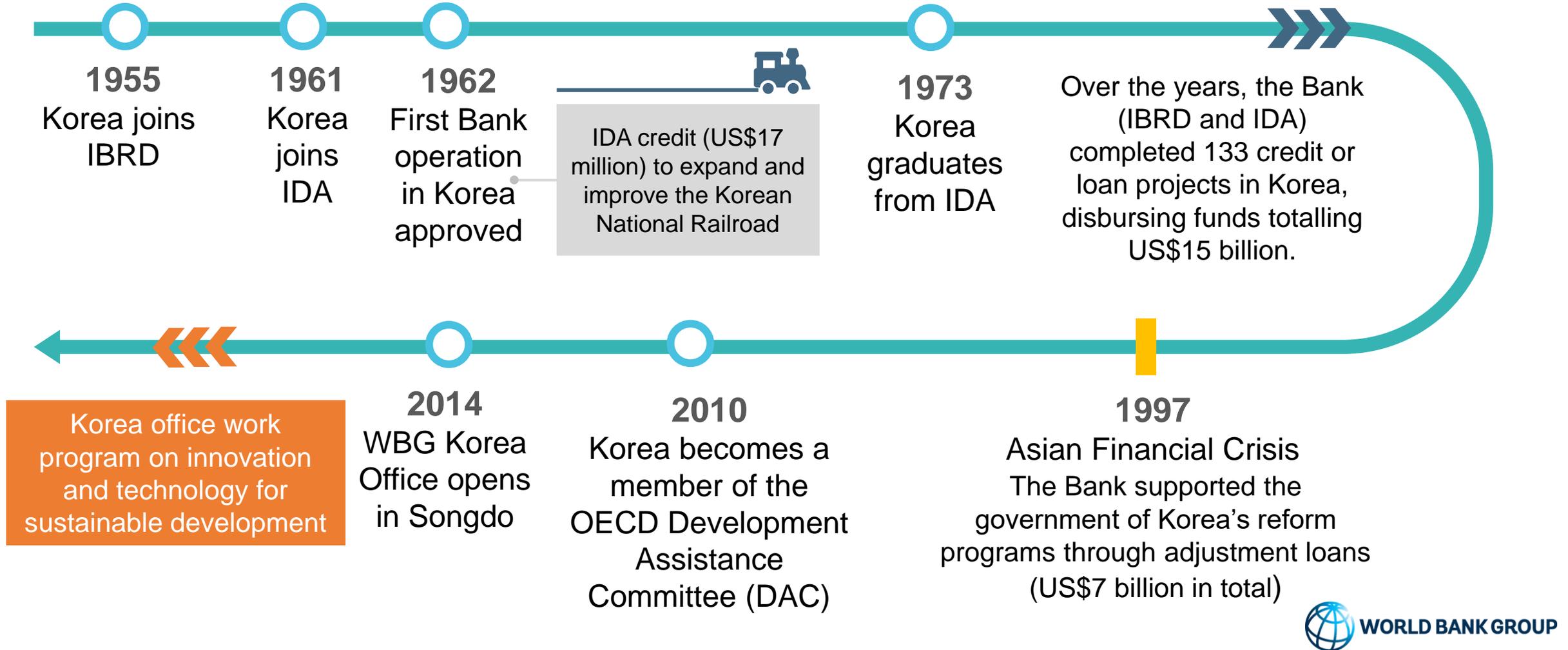
## WBG COP26 Climate Briefs

- Climate and Development Reports (CCDRs)
- Expanding World Bank Group Support for Country NDCs and LTSs
- Adaptation and Resilience: A Priority for Development and Poverty Reduction
- Energy Transition and Universal Access
- Scaling Finance for Transformational Climate Projects

# WBG Korea Office



# History of Korea-WBG Partnership



# Global Center for Innovation and Technology For Sustainable Development

## Innovation and Technology

- Finance, Competitiveness and Innovation
- Digital Development
- Information and Technology Solutions



## Crosscutting Support

- Korea Program for Operational Knowledge
- Fragility, Conflict and Violence
- Education

## Green Growth Innovation

- Urban, Disaster Risk Management, Resilience and Land
- Environment, Natural Resources and Blue Economy
- Energy and Extractives

**World Bank Group Korea Office**  
**Global Innovation and Development Center for Sustainable Development**

# Thank You

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