

Sustainable Development through Sustained Innovative Financing

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Outline

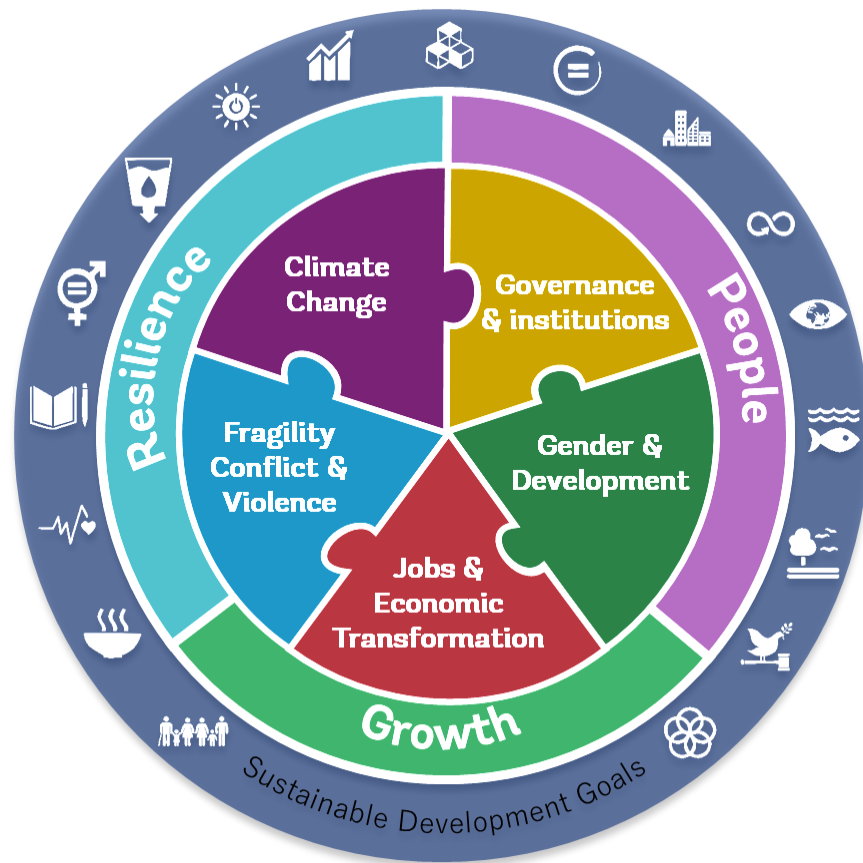
- I. IDA Sustainable Financing
- II. World Bank Group's Climate Change Action
- III. WBG Korea Office

IDA Sustainable Financing



Ten Years to 2030: Growth, People, Resilience

IDA19 Special Themes



Debt



Human Capital



Technology



Disability



Migration



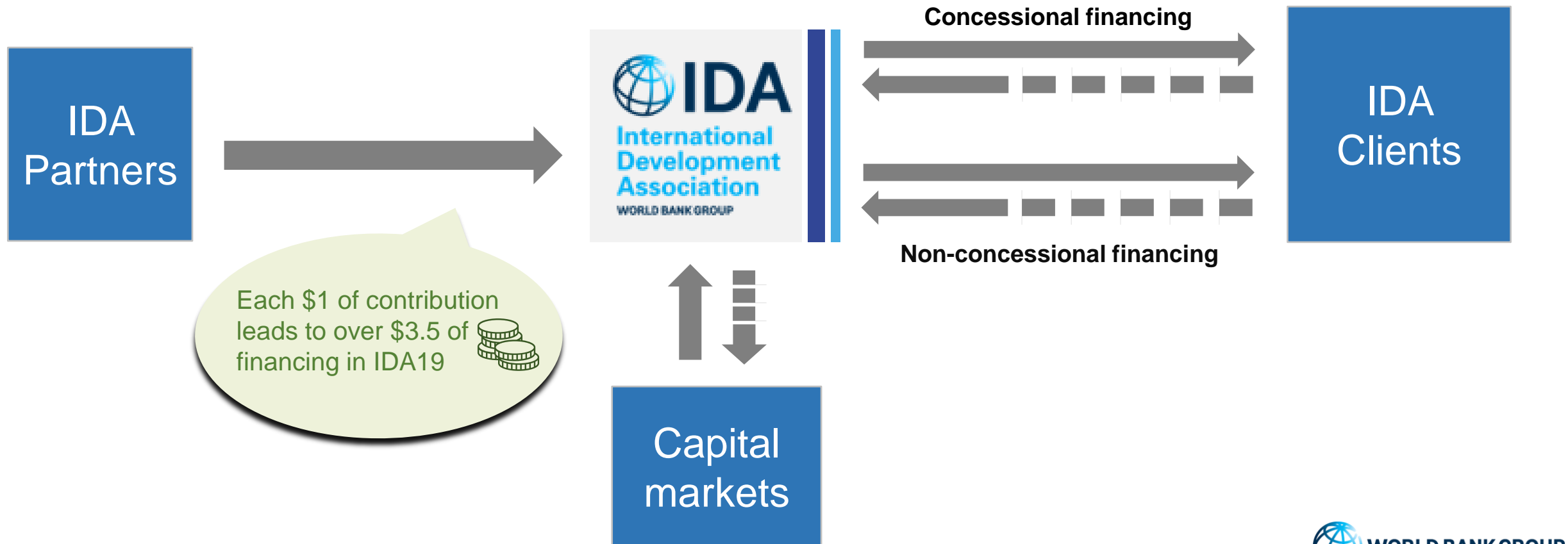
Quality Infrastructure



Regional Program

Transformation of IDA's Financing Model

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

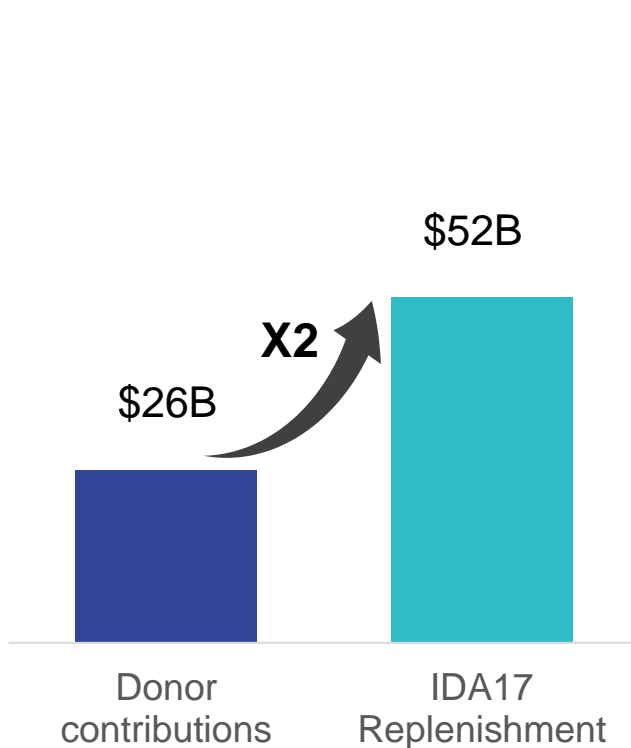


Scale-up in IDA's Financing to Clients and Value for Money for Partners

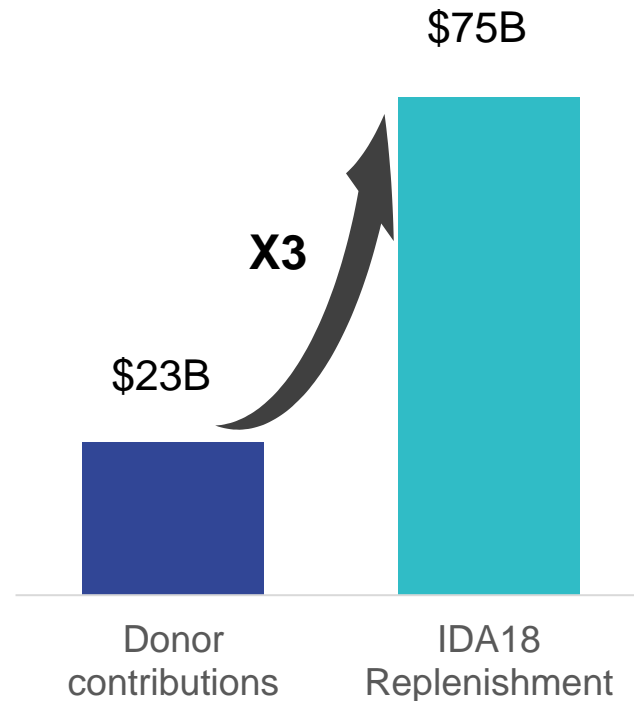
2013: IDA17

2016: IDA18

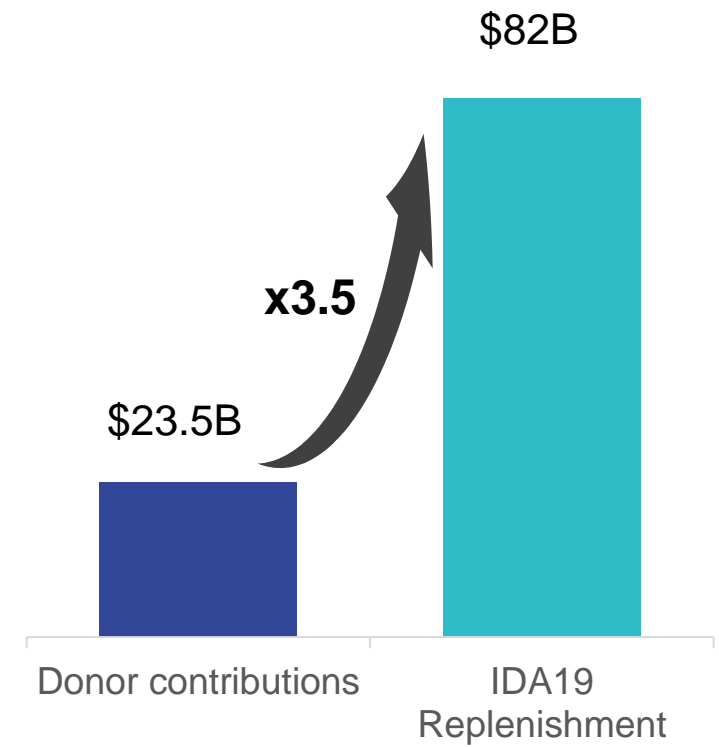
2019: IDA19



Source: IDA17 Replenishment Final Report



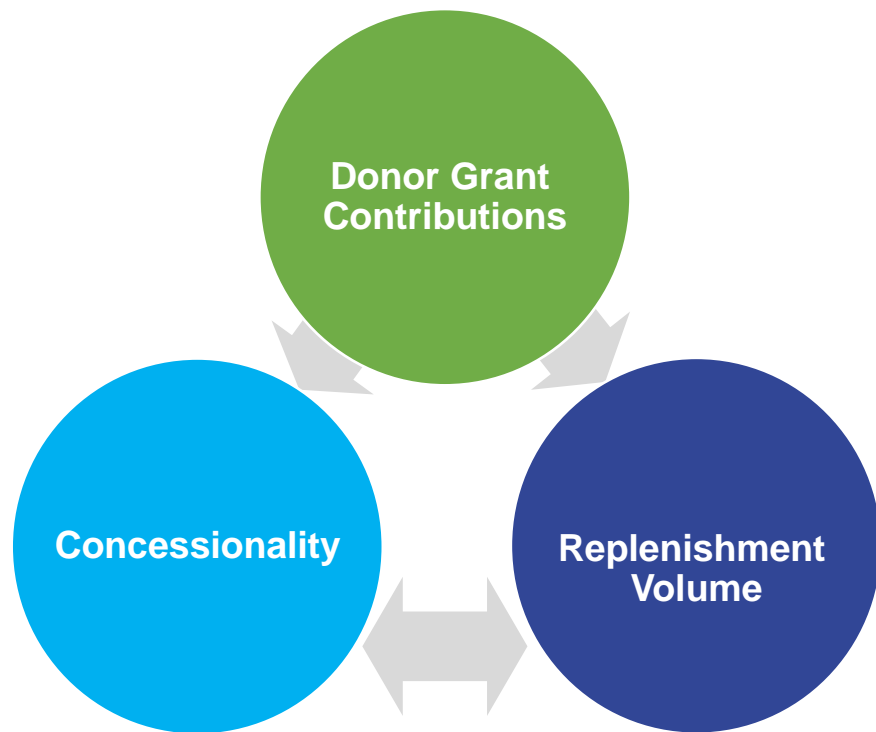
Source: IDA18 Replenishment Final Report



Source: IDA19 Replenishment Final Report

Strengths of IDA's Financing Model

Levers of Financing Framework

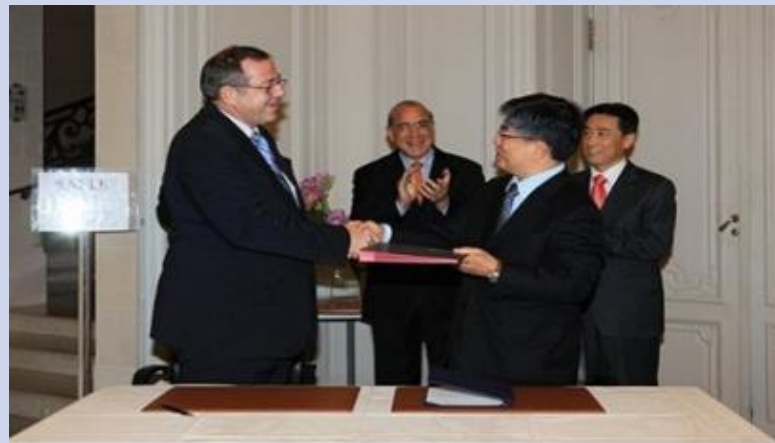


- IDA's public policy **mandate**, track record of **shareholder support**, and the high quality of **governance**
- IDA's significant **equity buffer** and ample and well-managed liquidity
- Although the average credit quality of IDA's loan portfolio is lower than other MDBs, these **exposures are well-diversified, 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

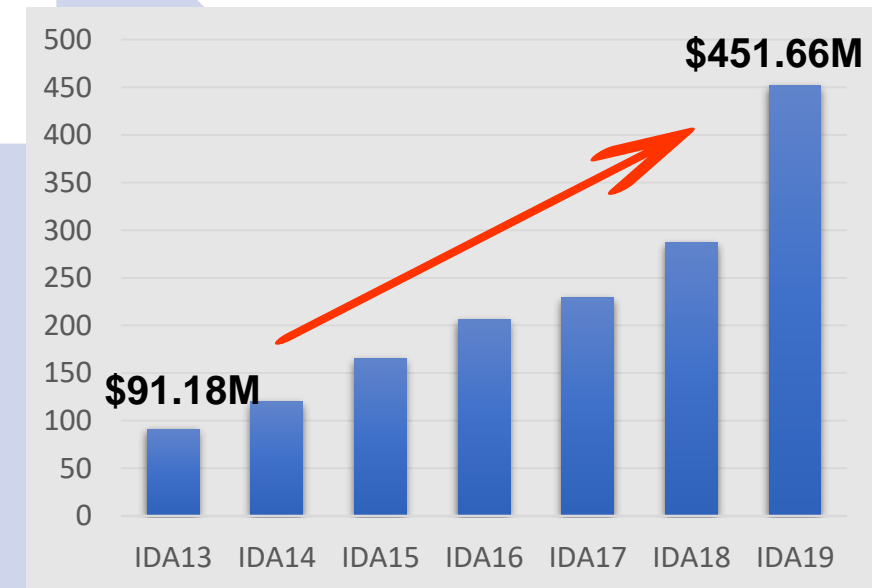
Korea – IDA Partnership



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



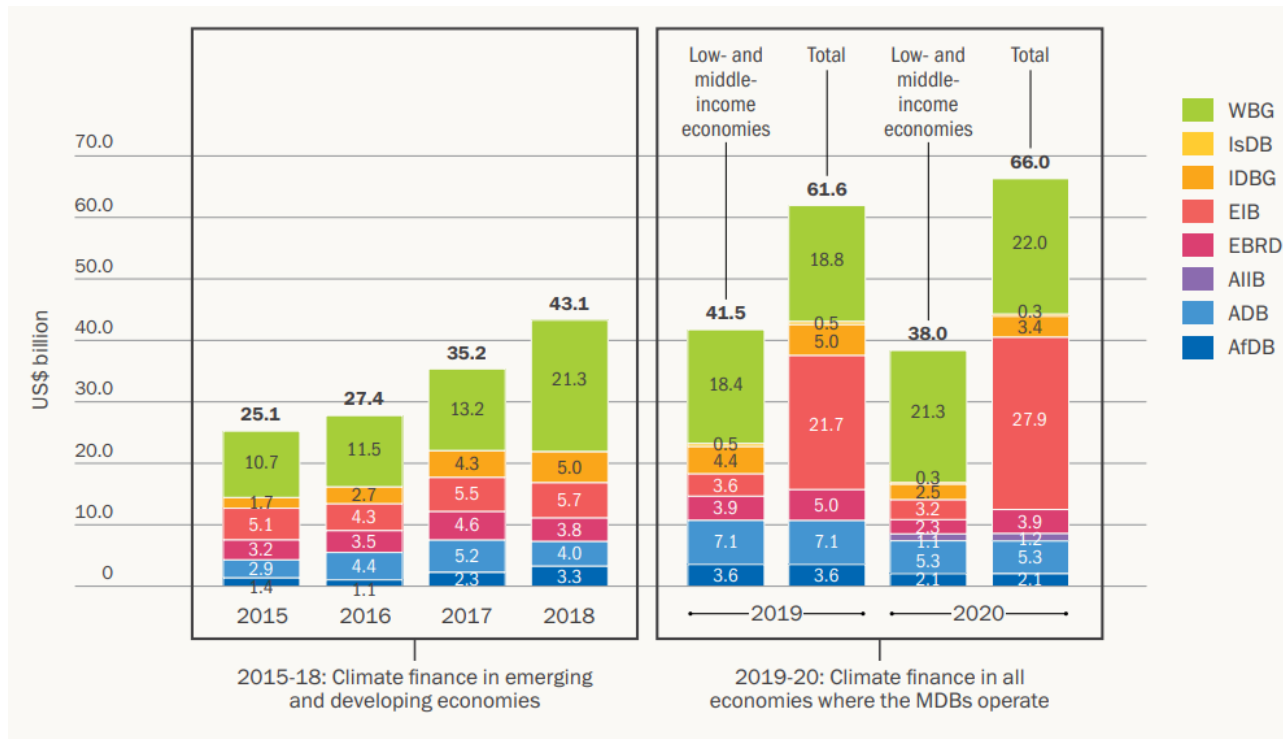
Korea's Contribution History in IDA
Replenishment (US\$ SDR)

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



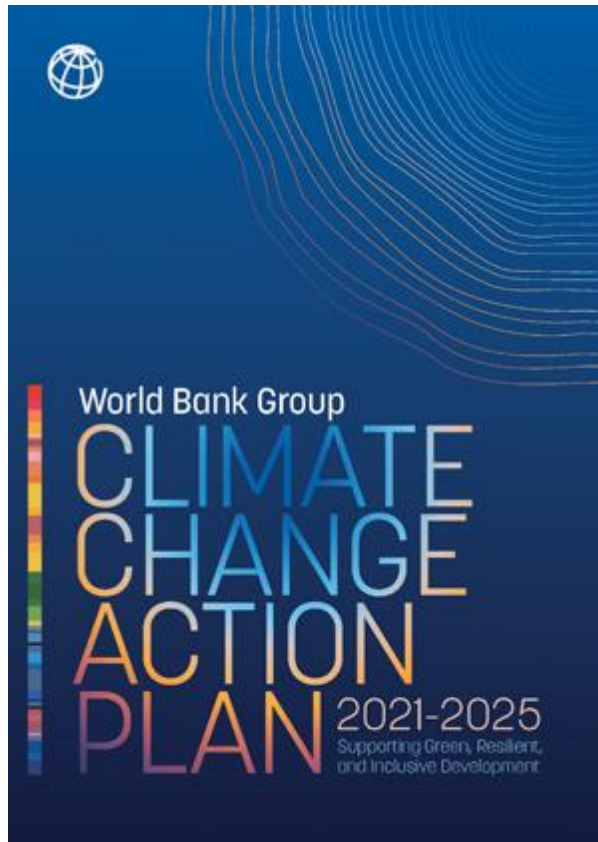
Encouraging the shift to low-carbon energy while expanding access



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 tCO₂e GHG emissions reductions in FY21 WBG operations

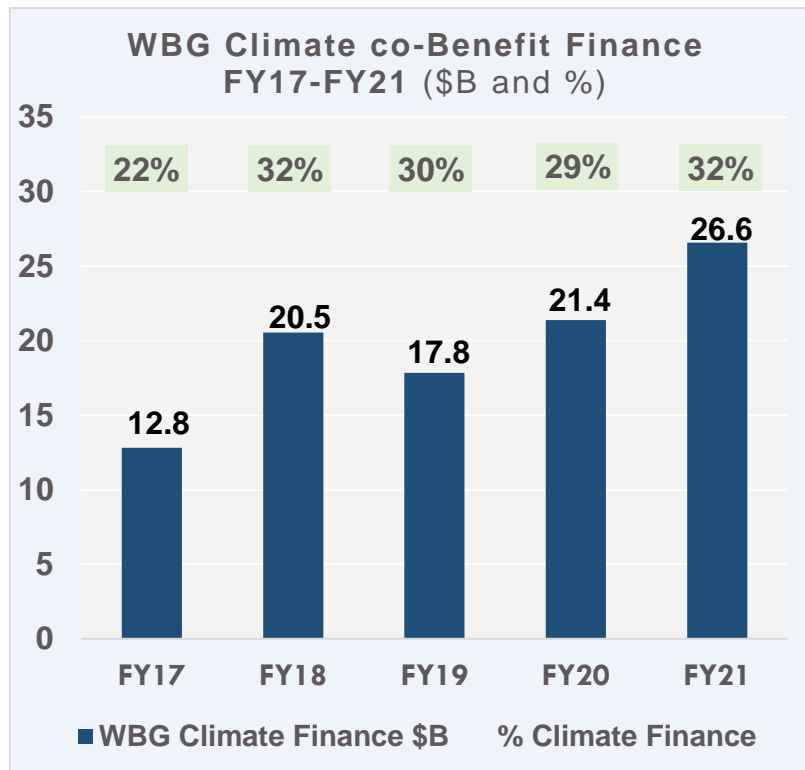


IFC committed \$4B of climate financing from its own account in FY21, including over \$1.2B in IDA eligible countries; MIGA committed \$1.3B, including \$230M in IDA eligible countries

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

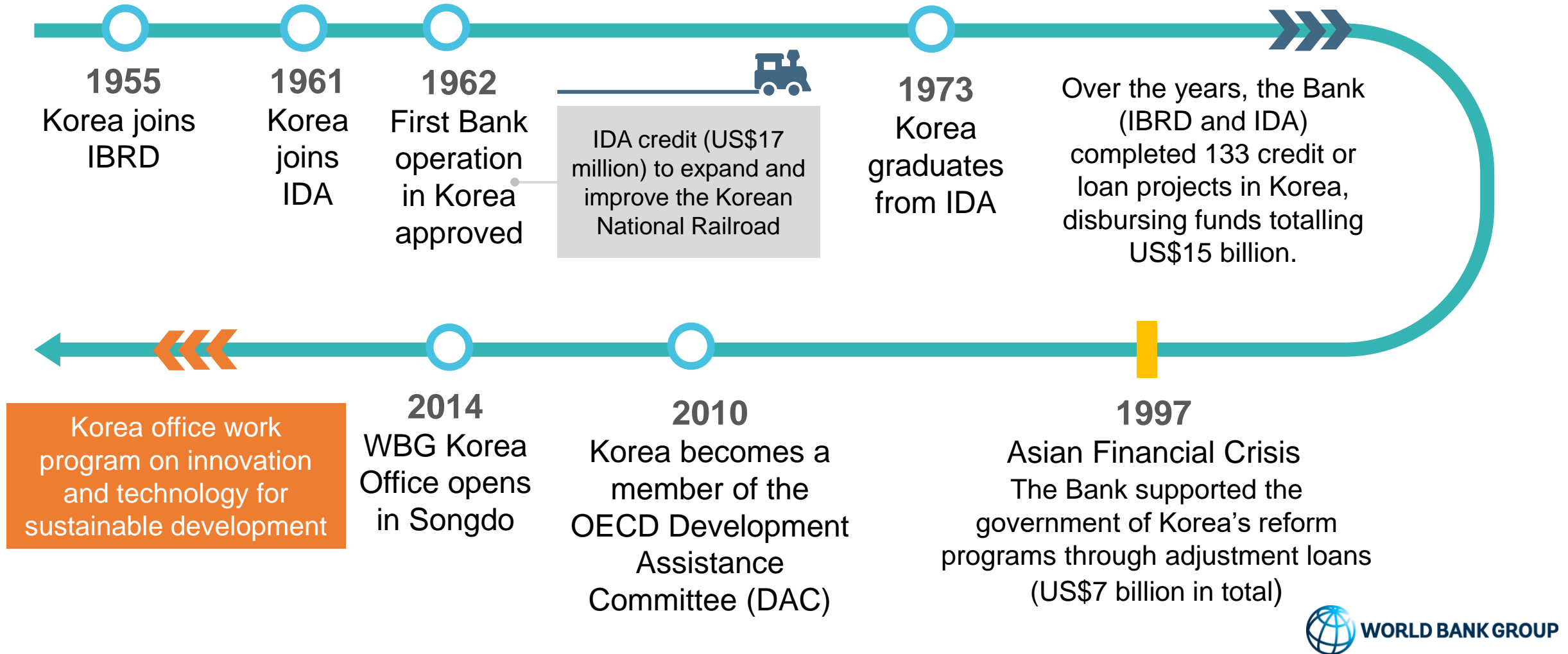
WBG COP26 Climate Briefs

- 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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