



THE WORLD BANK

Climate Change, Development and Safeguards

Context to inform and guide the Discussion

**Expert Focus Group - Mexico City
April 9, 2013**

Publication Note

- The purpose of this presentation was to facilitate the discussion on climate change and safeguards by the international expert focus group held in Mexico City on April 9, 2013. A [summary](#) of the discussion of this focus group as well as the [participant list](#) are available on the safeguards review [website](#).
- The focus group was conducted in accordance with Chatham House rules, and all participants spoke in their individual capacities rather than as representatives of their respective institutions.
- This focus group was part of the World Bank safeguard policies review and update process, and the topic of Climate Change is one of the emerging areas that stakeholders have asked the Bank to consider during the review. Other emerging areas include: labor and occupational safety; disability; free, prior and informed consent of Indigenous Peoples; gender; human rights; and land tenure and natural resources. The international expert focus groups have been held by the World Bank to inform the ongoing safeguard policies review on how the Bank can address emerging areas through an integrated safeguards framework—either at the level of principles, policies and procedure—or through other approaches outside of the safeguards ambit.
- More information about the expert focus groups as well as the terms of reference for participation is available [here](#).
- More information about the safeguard policies review and consultations is available on the review [website](#).

Outline

- 1. Climate change as part of development**
- 2. How we currently address climate change in our social and environmental policies**
- 3. Some challenges that we face**
- 4. Questions for discussion**



Actions Framed By ...

- **Strategic Framework for Development and Climate Change (2008)**
 - Completion Report (2009-11), Climate action plan proposed (late 2013)
- **Country assistance/ partnership strategies** - Informed by PRSPs and/or National Development Plans
- **International Development Association 16th replenishment (July 2011 to June 2014)** - Special theme on climate change:
 - 100% CAS/ CPS discuss climate vulnerability
 - Analyze all projects in climate sensitive sectors to ensure consistency with mitigation/ adaptation strategies of countries
 - Improve tracking of finance for climate change and scale up advisory services
- **Environment Strategy (2012-22)**, towards a green, clean, resilient world for all
 - CLEAN: Pollution control, low emission development strategies and innovative finance, resource efficiency
 - RESILIENT: Adaptation solutions, disaster risk management, resilience of small island states through infrastructure and ecosystems
- **Presidential campaign on climate change (2013)**



Actions Framed By...

Recommendations by the Independent Evaluation Group (IEG) to the World Bank

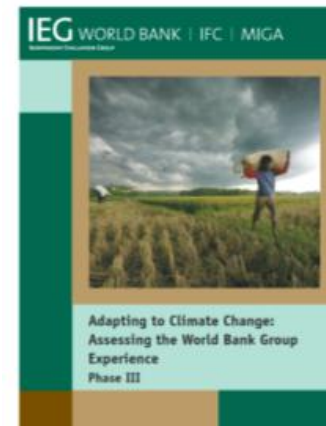
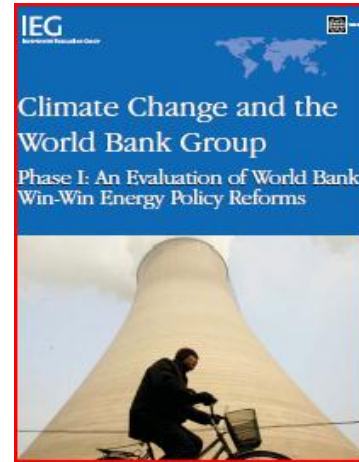
Phase I: An Evaluation of World Bank, Win-Win Energy Policy Reforms (2009)

Phase II: The Challenge of Low-Carbon Development, Climate Change and the World Bank Group (2010)

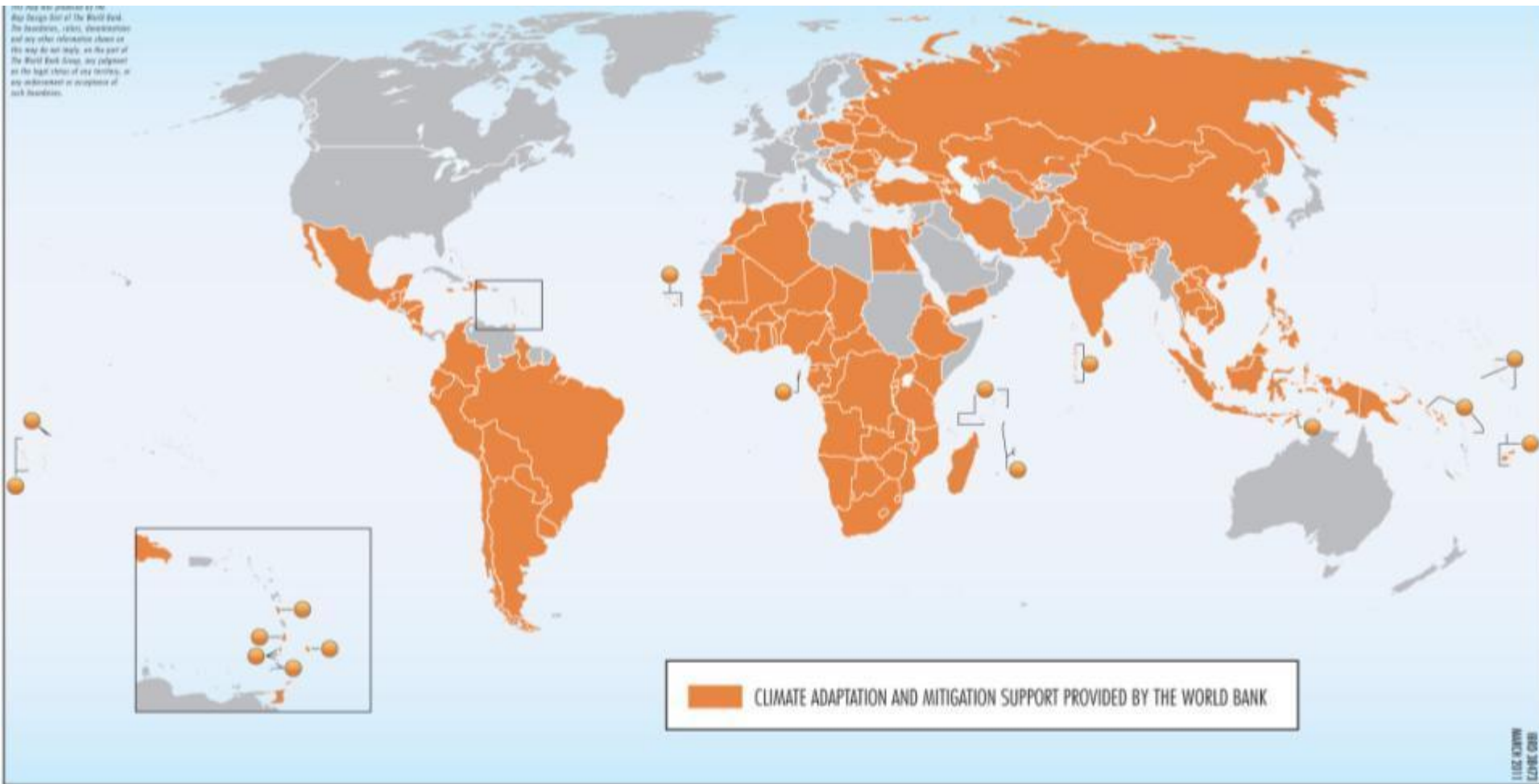
- Subsidy removal, policies for energy efficiency, metrics, scale up high impact investments, incentives learning and impact

Phase III: Adapting to climate change: assessing WBG experience (2012)

- Guidelines for climate risk management; results framework; hydromet services; long-term adaptation



Working in 130 Countries on Climate Change



Percentage of country strategies prioritizing climate change

15% in
FY00-05



32% in
FY07



63% in
FY09



88% in
FY10



Nearly
100% in
FY11

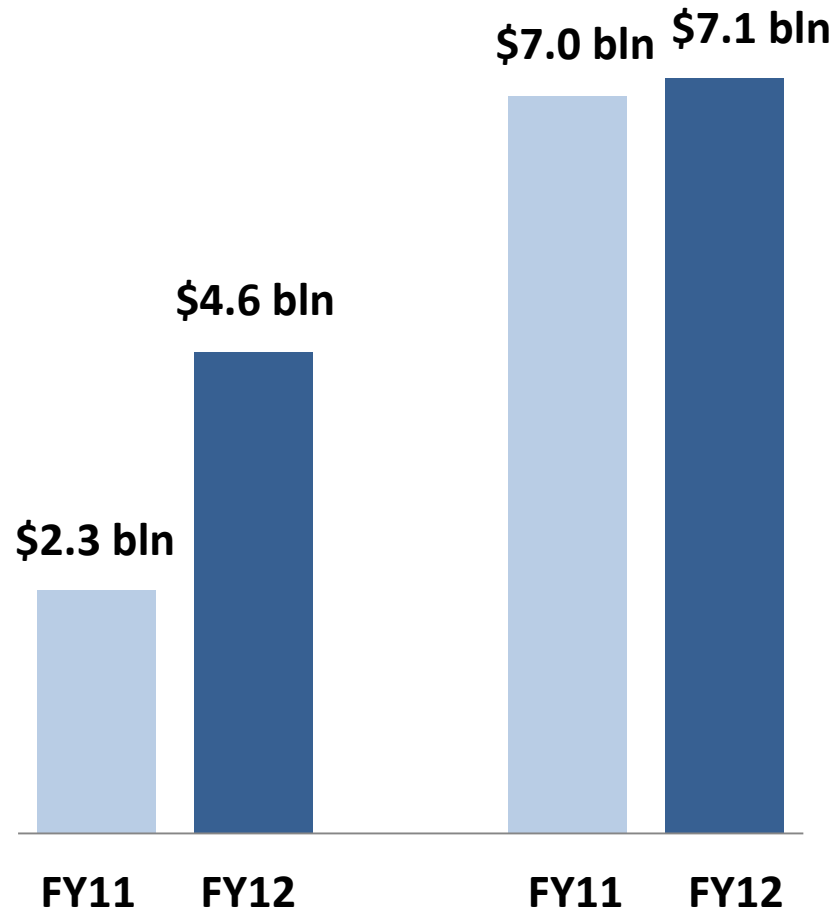


100% in
FY12

Adaptation and Mitigation Financing, an Integral Part of Development

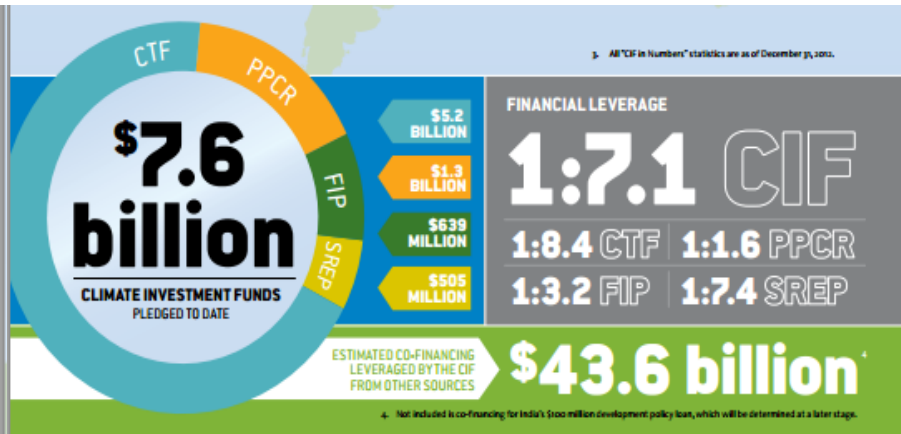
Adaptation

Mitigation



Some Highlights:

CIF Demonstrating the Impact of Scaled-up Investment



CIF COUNTRIES BY REGION

27%
LATIN AMERICA & THE CARIBBEAN

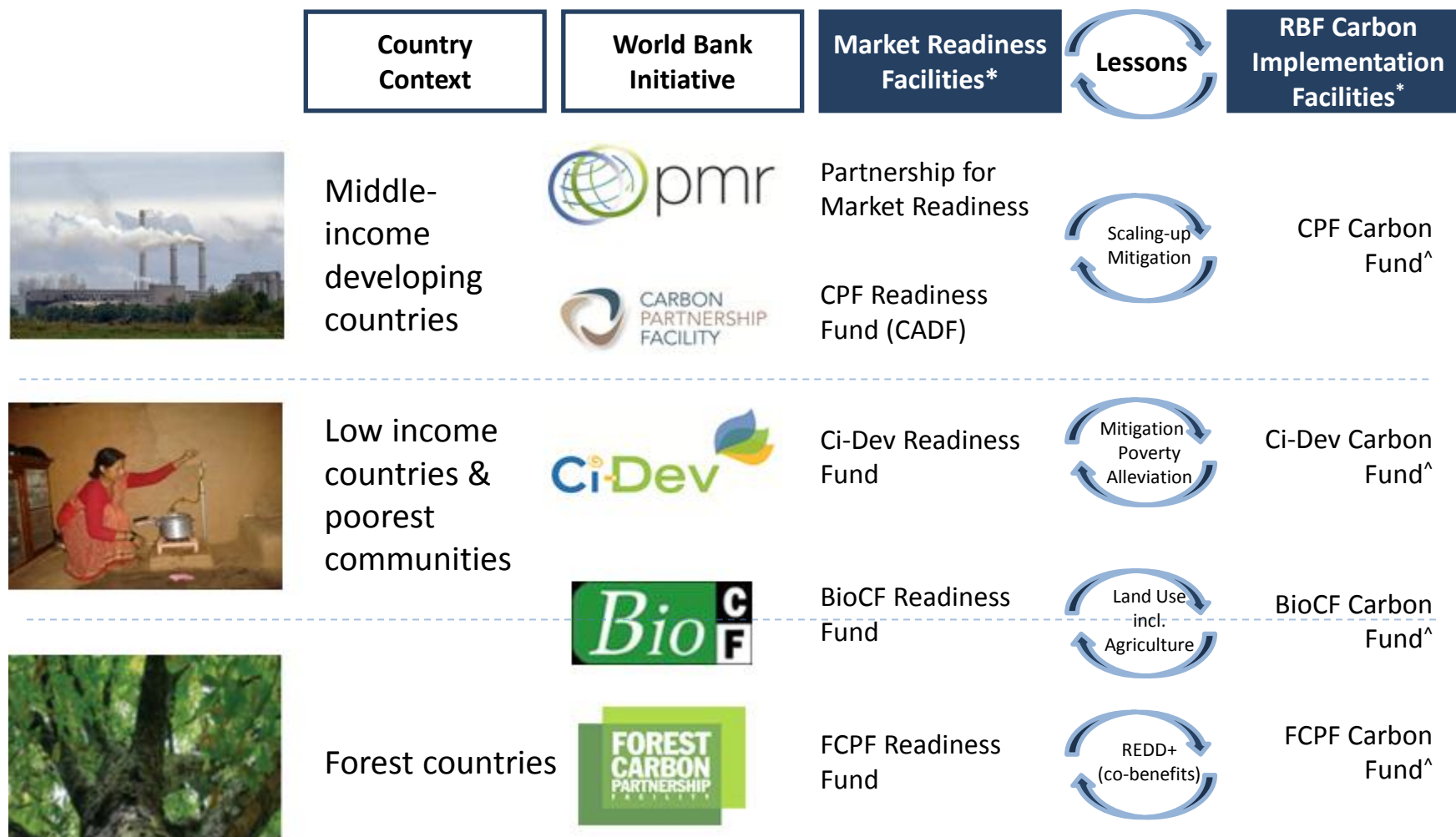
8%
EUROPE & CENTRAL ASIA

4%
MIDDLE EAST

33%
AFRICA

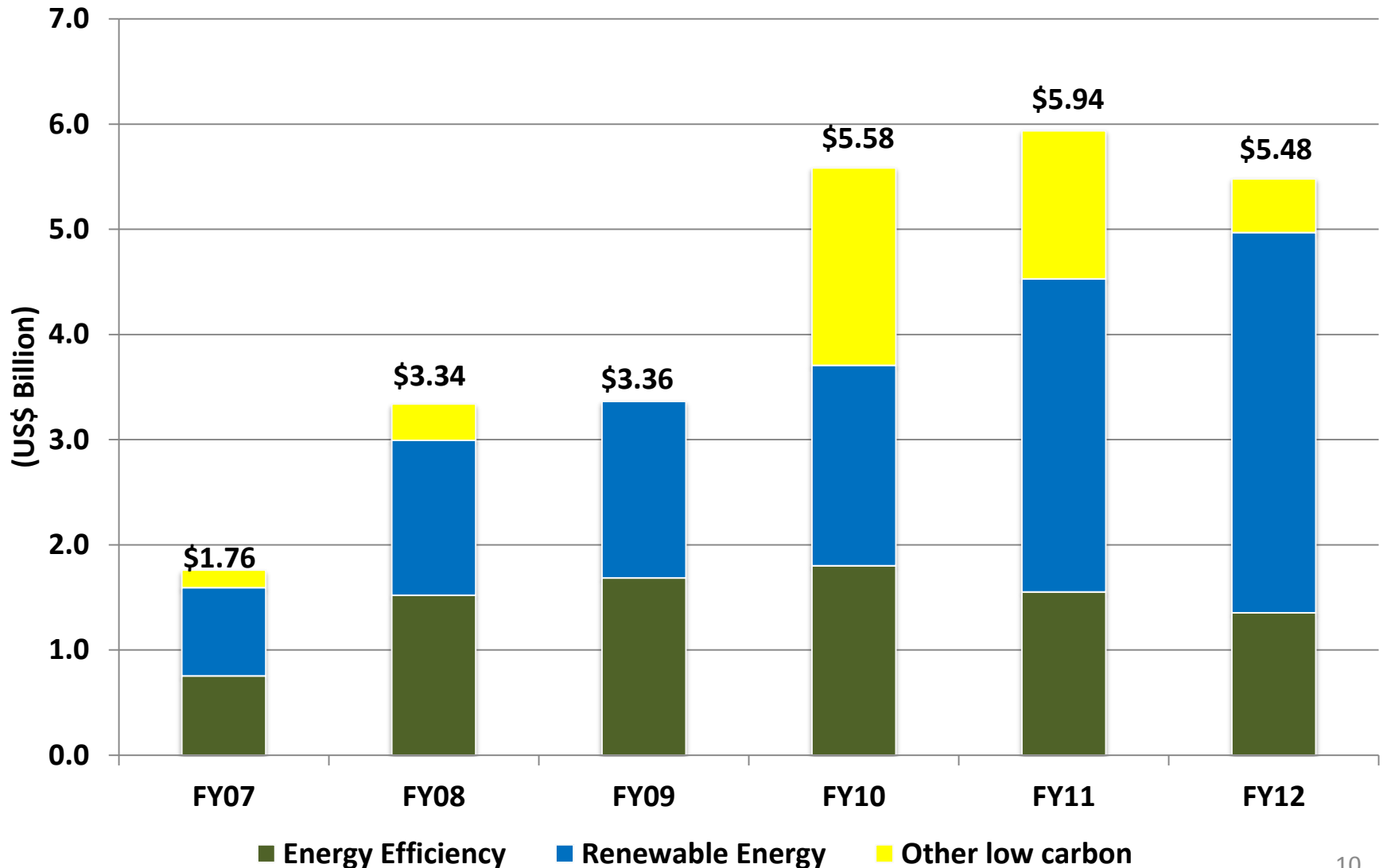
27%
ASIA & THE PACIFIC

Some Highlights: Working with Markets



[^] Includes traditional carbon asset purchases (e.g., CERs) as well as the piloting of project finance delivery via a Results Based Finance (RBF) framework that pays against the monitoring, recording and verification of GHG emission reductions.

Some Highlights: Low Carbon Energy Investment



Some Highlights:

Climate Resilient Development

- IDA16: All country strategies now discuss climate resilience
- Direct support for adaptation to around 90 countries
- PPCR: US\$1 billion for resilience in low income countries
- GFDRR: Building adaptive capacity in 31 disaster-prone priority countries
- Support to set-up of multi-donor trust funds (e.g. Bangladesh, Maldives)
- Analytical work on tools, costs, and best practice



Some Highlights: GHG Accounting

Strategic Framework for Development and Climate Change (2008)

- 2008: Commitment to explore GHG accounting
- 2009 – 2011: Analysis and Pilots in energy, transport, and forestry sectors
 - Coordinate with development partners and other IFIs
 - Build capacity, gather information, identify mitigation options
 - Facilitate analysis of alternatives, and access to climate funding
- 2012-2013: Develop cost-effective, credible , transparent methodologies & tools

Environment Strategy (2012)

- 2013-2014: Implement GHG accounting for Energy/ Forestry and transport
- 2014-2015: Roll-out to cover all project types for all relevant sectors

Greenhouse Gas Analysis at the World Bank (2012)

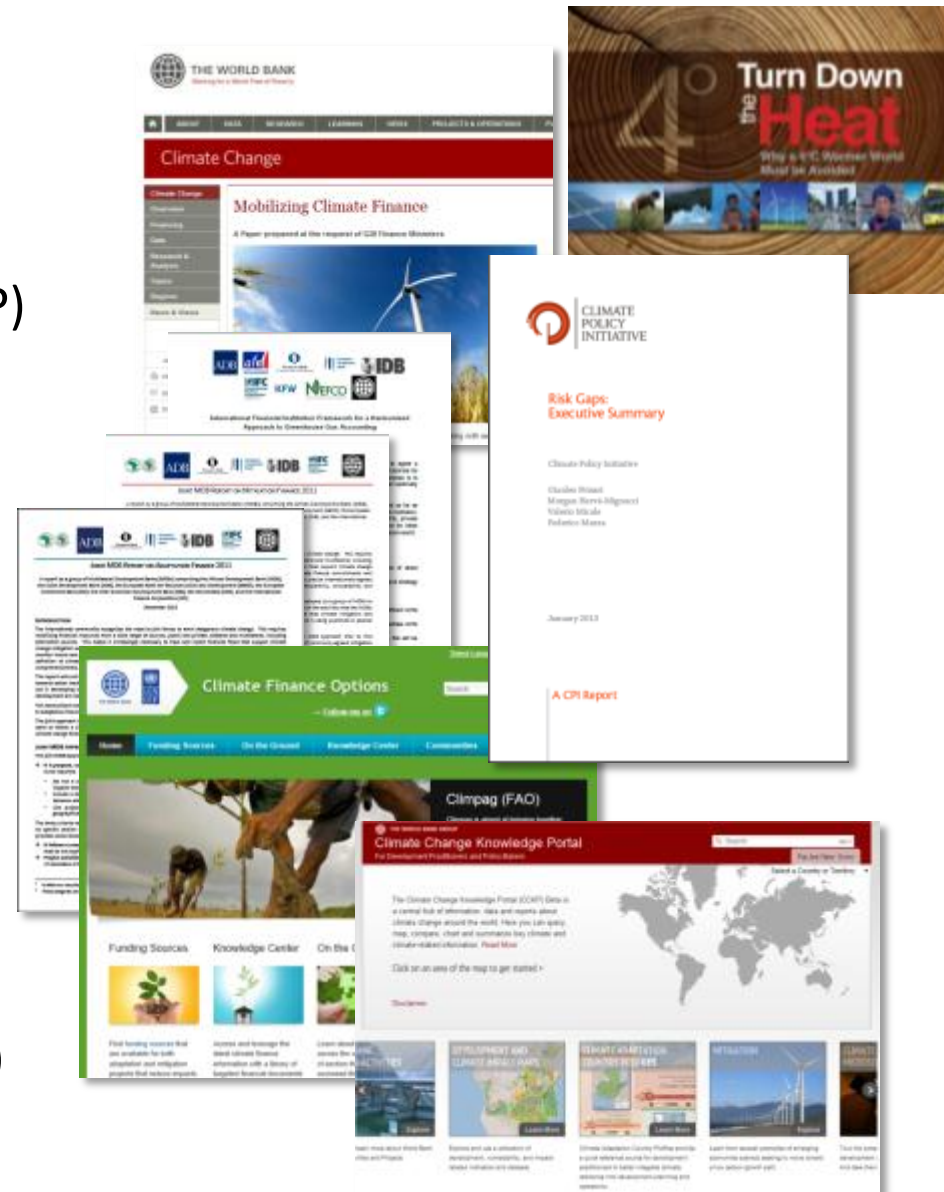
- Review of available methodologies, tools and practices; Outcomes of pilot studies

Harmonized Approach to GHG Accounting (2012)

- Coordinate with other MDBs/IFIs

Some Highlights: Knowledge and Tools

- Information Tools
 - Climate Risk Screening Tools
 - Climate Change Knowledge Portal
 - Climate Finance Options (with UNDP)
 - Platform for Climate-Smart Planning
- Measuring
 - GHG analysis
 - SFDCC Results Framework
 - PPCR Core Indicators
 - Climate finance tracking
- Strategic Analysis
 - Turn Down the Heat
 - Mobilizing Climate Finance (for G20)
 - SLCP work (for G8)
 - San Giorgio Group - case studies



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Climate Change in Our Current Policies: OP4.01

OP4.01 Environmental Assessment is applied to all investment projects:

*“3. EA takes into account the natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement, indigenous peoples, and physical cultural resources); and transboundary and **global environmental aspects.**”*

Global environmental aspects: *“**Global environmental issues include climate change**, ozone-depleting substances, pollution of international waters, and adverse impacts on biodiversity.”*

“6. The Pollution Prevention and Abatement Handbook [1998] describes pollution prevention and abatement measures and emission levels that are normally acceptable to the Bank.....”

2007: PPAH replaced by WBG Environment, Health and Safety Guidelines

Climate Change at IFC

Performance Standard 3: Resource Efficiency and Pollution Prevention

– Objective

- to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities
- To promote more sustainable use of resources, including energy and water
- To reduce project related GHG emissions

– Scope of the application

- Established during the environmental and social risks and impacts identification process

– Requirements

- During the project life-cycle, the client will consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention principles and techniques that are best suited to avoid, or where avoidance is not possible, minimize adverse impacts on human health and the environment

Climate Change in Our Current Policies: EHSGs

WBG Environment, Health and Safety Guidelines (EHSGs)

- An approach to the management of significant sources of emissions, including specific guidance for assessment and monitoring of impacts
- Contains the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs
- Generation and release of emissions of any type should be managed through a combination of:
 - Energy use efficiency
 - Process modification
 - Selection of fuels or other materials, the processing of which may result in less polluting emissions
 - Application of emissions control techniques

Climate Change in Our Current Policies: EHSsGs

- Recommendations for reduction and control of greenhouse gases include:
 - Carbon financing
 - Enhancement of energy efficiency
 - Protection and enhancement of sinks and reservoirs of greenhouse gases
 - Promotion of sustainable forms of agriculture and forestry
 - Promotion, development and increased use of renewable forms of energy
 - Carbon capture and storage technologies
 - Limitation and / or reduction of methane emissions through recovery and use in waste management, as well as in the production, transport and distribution of energy (coal, oil, and gas)

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Some Challenges We Face ...

Systematic consideration of climate change in project design:

- **Efficient use of resources** (energy, land and water) at project level
- **Economic analysis and decision making** towards often more costly options
 - discount rate and internal rate of return are geared for short-term and tangible benefits
- **Approaches, methodologies and guidance to staff and clients**
 - GHG and black carbon accounting and evaluation of externalities
 - Screening for and managing climate risks
 - Introducing changes in design of long-lived infrastructure sector specific guidance

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Questions For Discussion

1. How should climate change issues be included in WB's environmental and social assessment processes?
2. At project level, what are the key issues that should be considered for managing climate related risks to development and reducing emissions at the project level?
3. Do countries have the data, methodologies and approaches required to:
 - evaluate and select options for climate related risks to people, economies and ecosystems?
 - evaluate and select options for low emissions of greenhouse gases and short-lived climate pollutants?
4. What support might countries need for: multi-sectoral work, for data collection, development of methodologies and approaches, for monitoring and evaluation programs to track outcomes?