



# IDA20 SPECIAL THEME

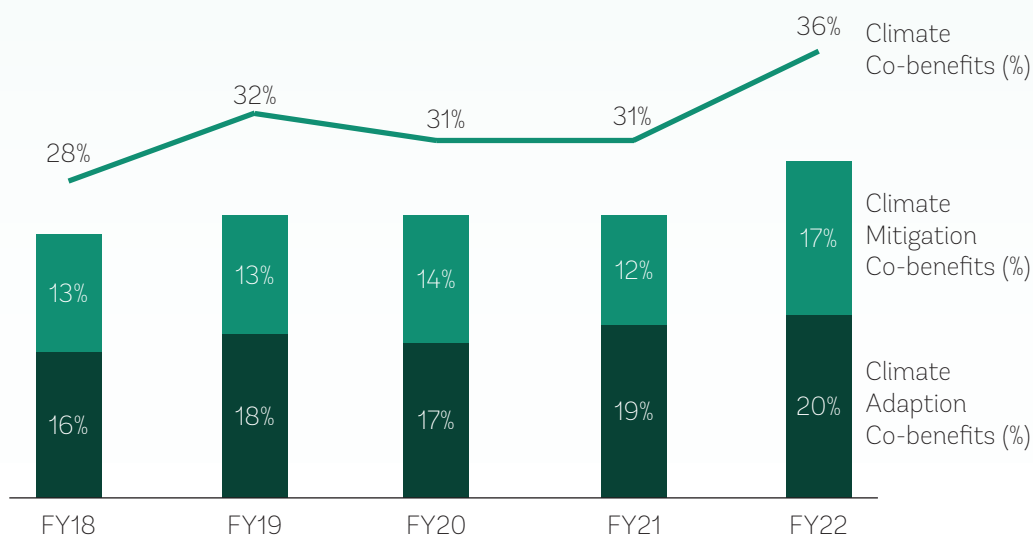
## CLIMATE CHANGE

**IDA20 continues to raise ambition on climate change with a view to supporting countries toward greener, more resilient, and more inclusive development pathways.** Since climate change was introduced as a Special Theme in IDA16, it has shaped IDA's focus on climate outcomes through compounded policy commitments and results indicators. Building on this, IDA20 is introducing ambitious actions and measures to strengthen the development outcomes from climate investments.

The IDA20 Climate Change Special Theme aligns closely with the recently launched World Bank Group (WBG) Climate Change Action Plan 2021-2025 (CCAP). IDA20 will increase climate-related financing, with both a higher target for climate co-benefits (World Bank financing that supports climate action while also furthering development objectives), which will increase to 35 percent on average over fiscal years 2023-2025 (FY23-25), and intensified emphasis on climate adaptation. Alignment with the Paris Agreement (starting in FY24) and rollout of Country Climate and Development Reports (CCDRs), which are a flagship new diagnostic tool to help integrate climate and development in country development strategies, represent significant innovations in IDA20.



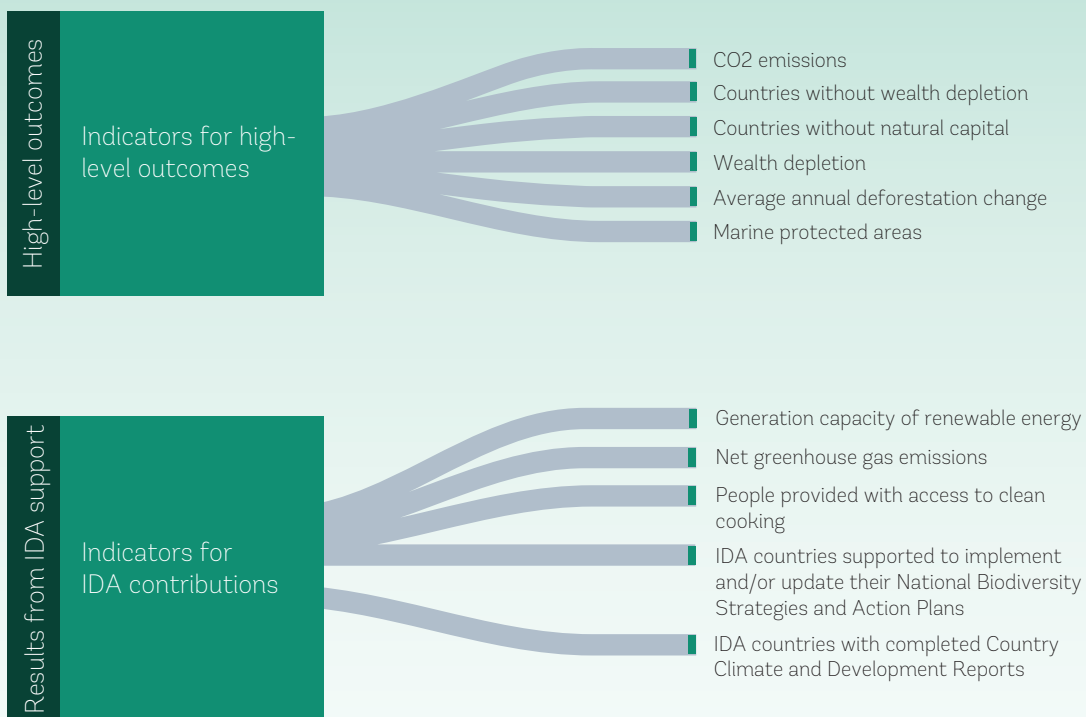
### Climate Co-Benefits- Adaptation and Mitigation





## How Will Climate Outcomes Be Measured?

Each Special Theme focuses on key development outcomes. Policy commitments identify actions taken together by IDA and clients to set a course toward long-term outcomes. As high-level outcomes take time to materialize, IDA's Results Measurement System (RMS) indicators track progress across multiple IDA cycles.



## Policy Commitments

**1 Increasing climate co-benefits:** IDA's Climate Co-Benefits share of total commitments will increase to 35 percent, on average over FY23-FY25, with at least 50 percent for adaptation. For IDA Private Sector Window (PSW) operations, climate co-benefits will increase to 35 percent of International Finance Corporation (IFC) and/or Multilateral Investment Guarantee Agency (MIGA) own account commitments under such operations, on average.

**2 Aligning all IDA operations with the Paris Agreement:** Starting in FY24, all new World Bank IDA20 operations will align with the Paris Agreement. By the end of IDA20, all new IDA PSW real sector operations will be Paris-aligned. Support will be provided to at least 30 countries to develop CCDRs and at least 50 countries to develop, update and/ or implement Nationally Determined Contributions (NDCs) or Long-Term Strategies (LTSs).

**3 Transitioning key systems for adaptation and mitigation:** Support at least 50 countries (including at least 20 fragile and conflict-affected situations (FCS)) to develop inclusive climate policies and increase investment in climate adaptation and mitigation in at least one key transition systems (i.e., agriculture, food, water, and land; cities; transportation; and/ or manufacturing), including community-led climate investments in at least 15 countries.

**4 Sustainable energy for all:** Facilitate development of low-carbon energy sector development strategies and policies in at least 20 countries (including at least eight FCS) and development of battery storage in at least 15 countries (including at least 10 FCS); provide direct, indirect, and enabling policy support for at least 10 gigawatts (GW) of renewable energy (including at least one GW in FCS). The support would cover on-grid, off-grid, and distributed renewable energy.

**5 Scaling-up green financing:** Support at least 20 countries (including at least five FCS) to revise their financial regulatory frameworks to manage climate and

environmental risks and to mobilize private capital for a low-carbon and resilient economy.

**6 Enhancing biodiversity and ecosystem services:** Implement nature-based solutions, including landscape, seascape and watershed restoration and management or forest restoration and sustainable forest management, in at least 20 countries to support biodiversity and ecosystem services.



**7 Strengthening management of fresh water, coastal and marine ecosystems:** Support at least 25 countries to implement integrated and sustainable management of freshwater, coastal and marine ecosystems, including by addressing marine plastic pollution.

**8 Increasing crisis preparedness and response:** Support at least 25 countries (including at least 10 FCS) facing natural hazards or food crises to improve their crisis preparedness and response capacity by strengthening related institutional and planning frameworks and/or physical infrastructure. This support should include improving climate data and information services (such as hydromet and early warning systems) in at least 10 countries.