

Context



Climate change is expected to hit developing countries the hardest. Its effects—higher temperatures, changes in precipitation patterns, rising sea levels, and more frequent weather-related disasters—pose risks for agriculture, food, and water supplies. At stake are recent gains in the fight against poverty, hunger and disease, and the lives and livelihoods of billions of people in developing countries.

Tackling this immense challenge must involve both mitigation—to avoid the unmanageable—and adaptation—to manage the unavoidable—all while maintaining a focus on its [social dimensions](#) .

Strategy

Addressing climate change requires unprecedented global cooperation across borders. The World Bank Group is helping support developing countries and contributing to a global solution, while tailoring our approach to the differing needs of [developing country partners](#) . We are strengthening and building climate change partnerships with our member governments and a wide array of organizations.

In 2005, the Group of Eight asked the World Bank to develop a plan for more investments in [clean energy](#) in the developing world, in cooperation with other international financial institutions. The resulting [Clean Energy Investment Framework](#) identified the scale of investment needed for countries to access energy, especially in Africa; to help their transition to a lower carbon development path; and to adapt to climate variability and change.

At the request of our Development Committee in 2007, the Bank Group embarked on a comprehensive strategy to help address climate challenges and launched extensive global consultations. The consultations concluded in September 2008. The resulting [strategic framework on development and climate change](#) takes a demand-based approach to identifying and tapping new business opportunities for

developing countries and helping them cope with new risks.

We aim to support development successes while offsetting costs that stem from climate change through climate-dedicated finance. Our strategy also highlights the need for action and interaction among all countries for the greater global good. In developing countries, we are working to:

- Support climate actions in country-led development processes;
- Mobilize additional concessional and innovative finance;
- Facilitate the development of market-based financing mechanisms;
- Leverage private sector resources;
- Support accelerated development and deployment of new technologies; and
- Step up policy research, knowledge, and capacity building.

Results

Climate vulnerability and risk management increasingly is part of our dialogue and work with developing countries. Key sectors affected by climate change include health, water supply and sanitation, energy, transport, industry, mining, construction, trade, tourism, agriculture, forestry, fisheries, [environmental protection](#) , and [disaster management](#) .

The World Bank Group has several projects underway to strengthen the knowledge base for climate change and to translate such insights into informed decision making. The 2010 edition of the [World Development Report](#) focuses on development in a changing climate. Climate change adaptation considerations are being integrated into Country Assistance Strategies. A new [screening tool](#) that gives us a simple way of assessing development projects for potential sensitivities to climate change and further work is being done on sector-specific tools and guidance, We are also piloting innovative climate risk insurance. The [Global Facility for Disaster Risk Reduction and Recovery](#) , which helps countries integrate disaster planning into their development strategies, is including long-term climate risk with the programs.

We are taking action on key issues:

- IFC, MIGA, and all World Bank regions have developed climate change strategies or/and business plans;

- Climate change issues are being integrated into new sector strategies under preparation;
- Over 60 percent of all new Country Assistance or Country Partnership Strategies in fiscal year 2009 substantively addressed climate-related issues;
- A growing range of activities and instruments to support climate resilient development and adaptation
 - Continued growth in energy efficiency and renewable energy financing;
 - Significant progress with new and innovative financing such as the [Climate Investment Funds](#), the Forest Carbon Partnership Facility, climate risk management products, and “Green Bonds”;

- Rapid build-up in research & knowledge: The [2010 World Development Report](#) on Development and Climate Change was launched on September 15, 2009. The global study on the [Economics of Adaptation to Climate Change](#) expected to be launched this fall. Several regional and sectoral flagship reports that address climate change issues were recently completed;
 - Knowledge dissemination for key emerging technologies, such as Concentrated Solar Power and Smart Grids; and
 - Low carbon country case studies designed to explore options for lower carbon development. They have been prepared for Mexico, are in final review stages for Brazil and India, and are underway for South Africa, Indonesia, and Poland.

We are committed to sharing our research as well as measuring results and applying lessons from our projects and partnerships. We are also helping young people become champions on key issues of climate change.