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ROLE OF MDBs IN SUPPORTING THE PARIS AGREEMENT AND AGENDA 2030

G7 Environment Ministers' Meeting, 11 June 2017

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PHOTO CREDIT: WORLD BANK

MULTILATERAL DEVELOPMENT BANKS	Members	Capital*
World Bank Group (WBG)	189	\$234 billion
Inter-American Development Bank (IDB)	48	\$144 billion
African Development Bank (AfDB)	80	\$90 billion
Asian Development Bank (ADB)	67	\$153 billion
European Bank for Reconstruction and Development (EBRD)	65	\$34 billion
European Investment Bank (EIB)	28	\$275 billion

*Subscribed Capital; Sources: ODI, IFC's financial statements

NEW ACTORS

- Two New MDBs, headquartered in China were established in 2015:
 - **New Development Bank (NDB)**
 - **Asia Infrastructure Investment Bank (AIIB)**

MDBs WERE NOT ALWAYS LOVED





...BUT VERY DIFFERENT TODAY

MDB Commitments to support climate change

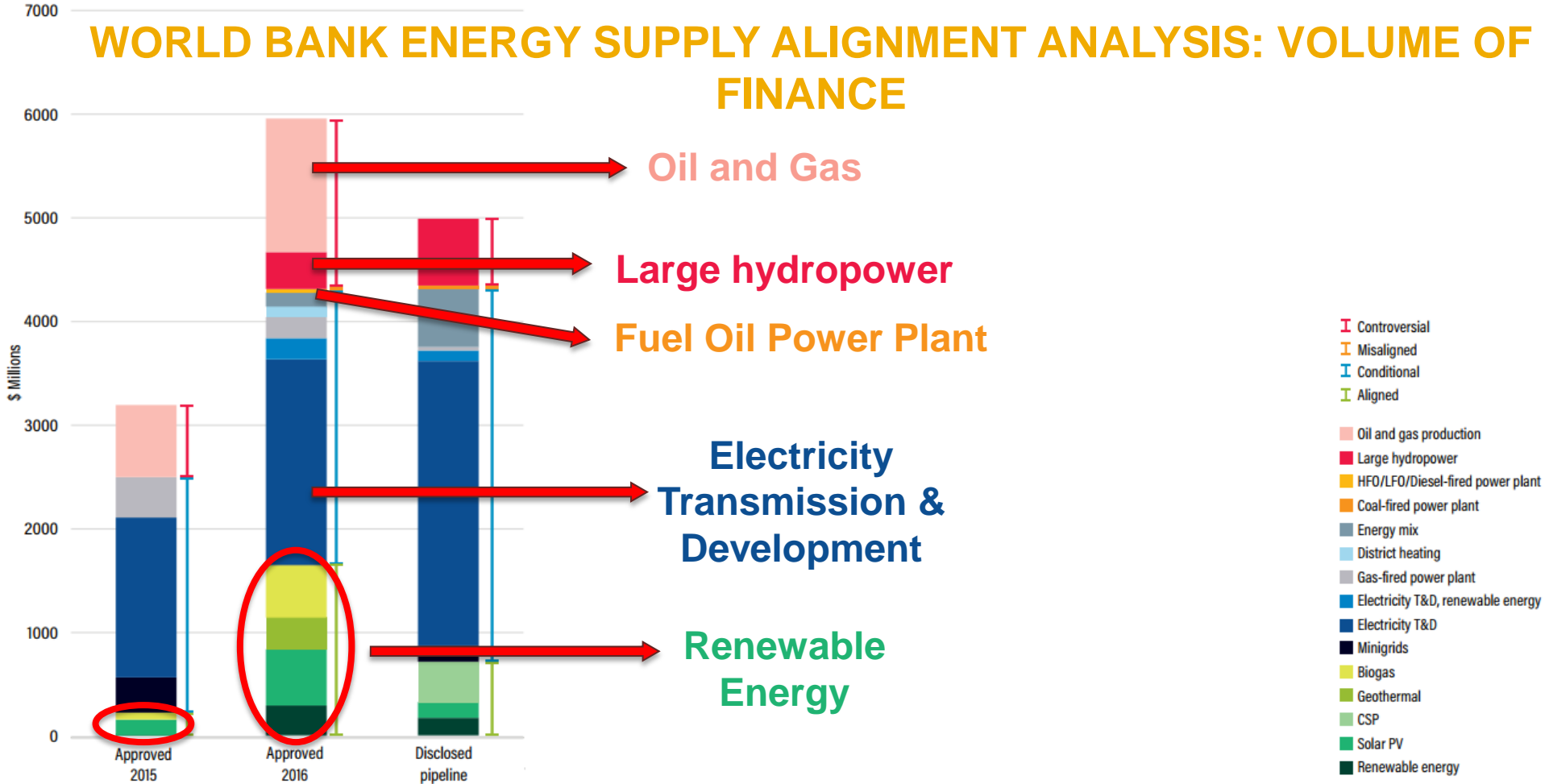
	Target Announced (by 2020)
ADB	Doubling climate finance to \$6 bn. p.a. \$4 bn mitigation, \$2 bn adaptation.
AfDB	Triple climate financing to 40% of investments.
EBRD	40% of annual business investment in green finance.
EIB	Global target >25% of all lending. Increased target of 35% in developing countries.
IDBG	Double climate finance to 30%
WBG	28% of total commitments plus \$13 bn in co-finance.

By 2020, the MDBs will collectively finance close to US\$40-45 billion of own climate investments

CATEGORIZING THE PROJECTS

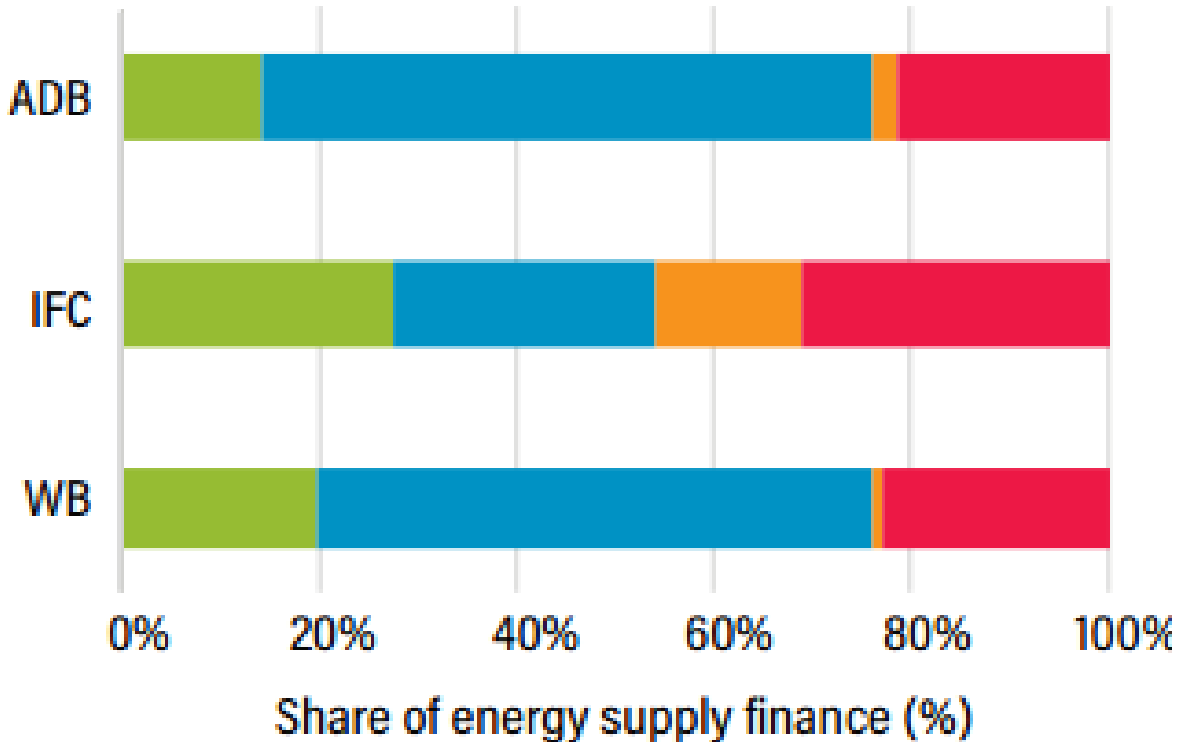
ALIGNED	CONDITIONAL	MISALIGNED	CONTROVERSIAL
<p>Fully aligned with 2°C consistently in all scenarios analyzed</p> <ul style="list-style-type: none"> Renewable energy Energy storage Solar PV Concentrated solar power (CSP) Wind Small hydropower Geothermal Biomass Biogas 	<p>2°C aligned only under certain conditions in all scenarios analyzed</p> <ul style="list-style-type: none"> Gas-fired power plants Electricity transmission and distribution (T&D) infrastructure^a District heating Minigrids Energy mix Hybrid Fuel-switching Municipal solid waste to energy 	<p>Consistently misaligned with 2°C in all scenarios analyzed</p> <ul style="list-style-type: none"> New coal-fired power plants with unabated emissions over their lifetime (no CCS) New coal production (no CCS)^b Heavy fuel oil/light fuel oil power plants^c Diesel-fired power^c 	<p>2°C aligned in some scenarios, but not in others (including because of significant social and environmental risks/tradeoffs)</p> <ul style="list-style-type: none"> Biofuels Large hydropower Bioenergy carbon capture and storage Nuclear Carbon capture and storage (CCS) Oil and gas production

WORLD BANK ENERGY SUPPLY ALIGNMENT ANALYSIS: VOLUME OF FINANCE



WORLD BANK, IFC, AND ADB ENERGY SUPPLY INFRASTRUCTURE INVESTMENTS ACROSS 2-DEGREE ALIGNMENT CATEGORIES

B. ESTIMATED VOLUME OF FINANCE



ISSUES

- Fossil Fuels?
- Aiming for 1.5°C
- Optimizing Balance Sheets
- Aligning the entire portfolio within SDG Framework



STOCK OF INFRASTRUCTURE WILL DOUBLE 2015-2030

SHIFTING THE TRILLIONS IN INFRASTRUCTURE

\$90 trillion

by 2030

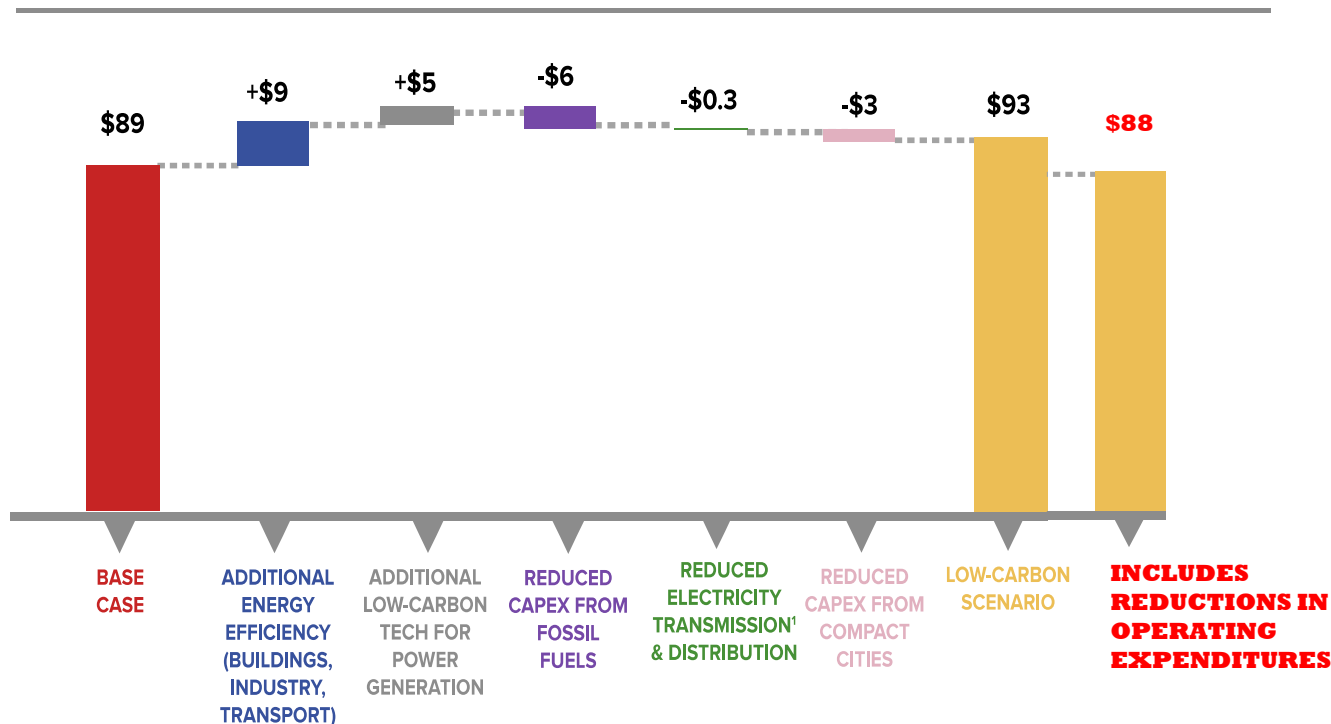
\$6 trillion

a year

WILL IT COST MORE TO DO IT RIGHT?

GLOBAL INVESTMENT REQUIREMENTS; 2015 TO 2030,
US\$ TRILLION, CONSTANT 2010 DOLLARS

Indicative figures only
High rates of uncertainty





THIS...?

\$1 trillion

**Urban sprawl costs
the United States
alone per year**

OR THIS?



SCIENCE BASED TARGETS --- 270 GLOBAL COMPANIES



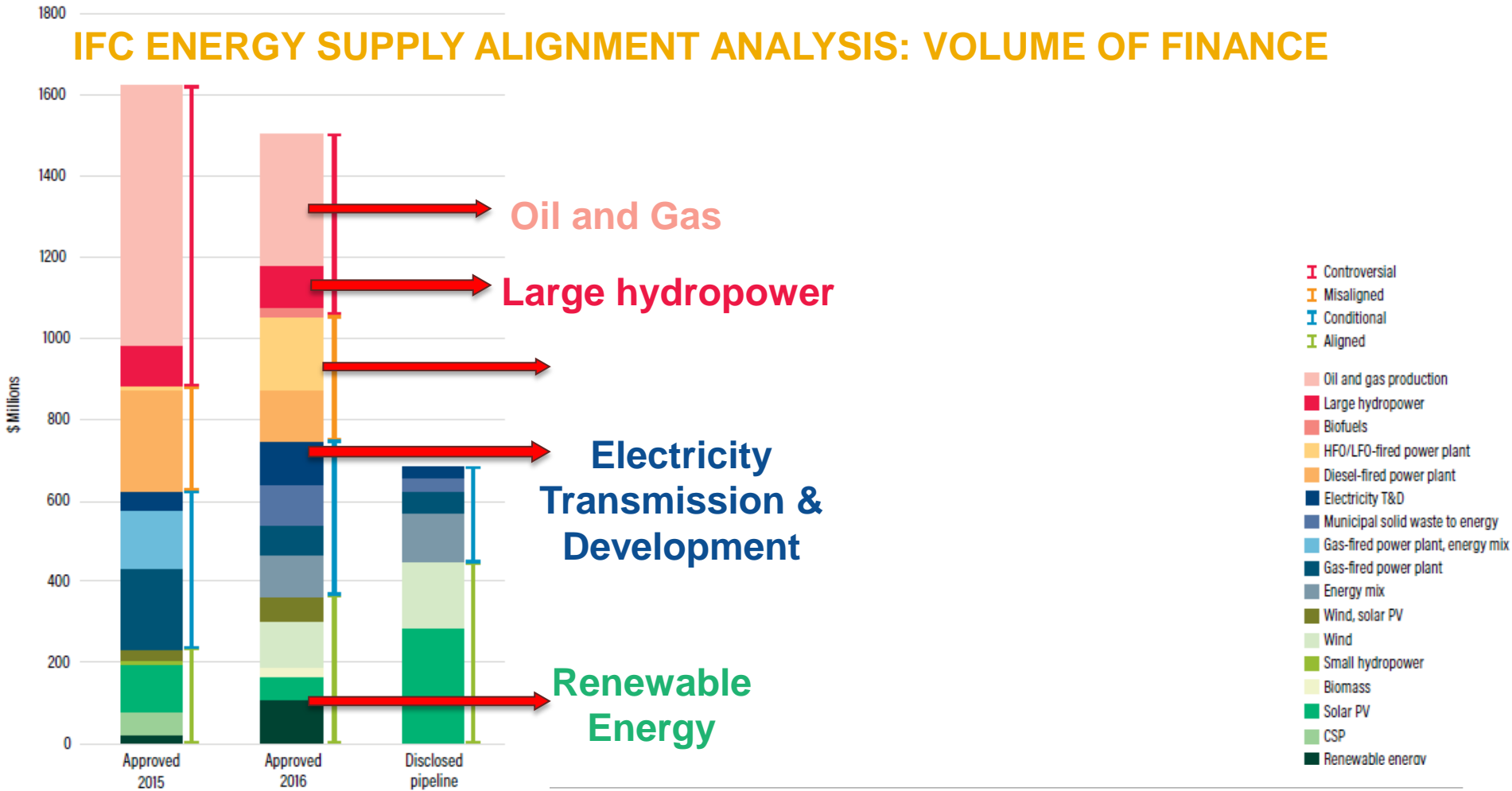
ISSUES

- Fossil Fuels?
- Aiming for 1.5°C
- Optimizing Balance Sheets
- Coordinating public and private-sector arms
- Aligning the entire portfolio within SDG Framework
- **The Role of Environment Ministers**

A satellite view of the Earth, showing the Asian continent and the surrounding Pacific Ocean. The image is centered on the Indian subcontinent and Southeast Asia. A black rectangular box is overlaid in the center of the image, containing the text "THANK YOU!" in yellow, bold, uppercase letters.

THANK YOU!

IFC ENERGY SUPPLY ALIGNMENT ANALYSIS: VOLUME OF FINANCE



ADB ENERGY SUPPLY ALIGNMENT ANALYSIS: VOLUME OF FINANCE

