



World Bank FY25 Climate-Related Disclosures



WORLD BANK GROUP

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Abbreviations and Acronyms

A&R	Adaptation and Resilience	ICSID	International Centre for Settlement of Investment Disputes
CCAP	Climate Change Action Plan	IDA	International Development Association
CCG	Climate Change Group	IDA20	20 th Replenishment of Resources for IDA
CCDRs	Country Climate and Development Reports	IDA21	21 st Replenishment of Resources for IDA
CERP	Contingent Emergency Response Project	IFC	International Finance Corporation
CFC	Chlorofluorocarbon	IFIs	International Financial Institutions
CH₄	Methane	IFI TWG	Technical Working Group of the International Financial Institutions
CIFs	Climate Investment Funds	IFRS	International Financial Reporting Standards
CMI WG	Carbon Markets Infrastructure Working Group	IMP	Inventory Management Plan
COP	Conference of the Parties	IOSCO	International Organization of Securities Commissions
CO₂	Carbon Dioxide	IPF	Investment Project Financing
CO₂eq	Carbon Dioxide equivalent	ISSB	International Sustainability Standards Board
CRDC	Climate Resilient Debt Clause	LTSs	Long-Term Strategies
CRO	Chief Risk Officer	MDB	Multilateral Development Bank
DDO	Deferred Drawdown Option	MIGA	Multilateral Investment Guarantee Agency
DPF	Development Policy Financing	NAPs	National Action Plans
DRTT	Disaster Risk Transfer Transactions	NDCs	Nationally Determined Contributions
EA	Environmental Assessment	NF₃	Nitrogen Trifluoride
EMDEs	Emerging Markets and Developing Economies	NGFS	Network for Greening the Financial System
EPA	Environmental Protection Agency	N₂O	Nitrous Oxide
ESF	Environmental and Social Framework	OPCS	Operations Policy and Country Services
ESG	Environmental, Social and Governance	PforR	Program-for-Results
ESSs	Environmental and Social Standards	PFC	Perfluorocarbon
FCPF	Forest Carbon Partnership Facility	PMI	Partnership for Market Implementation
FCV	Fragility, Conflict and Violence	RiST	Risk Stress Testing
FFI	Framework for Financial Incentives	RRO	Rapid Response Option
FIFs	Financial Intermediary Funds	RRS	Resilience Rating System
FRLD	Fund for Responding to Loss and Damage	SASB	Sustainability Accounting Standards Board
FY	Fiscal Year	SCALE	Scaling Climate Action by Lowering Emissions
GEF	Global Environment Facility	SF₆	Sulfur Hexafluoride
GHG	Greenhouse Gas	SORT	Systematic Operations Risk Rating Tool
GRI	Global Reporting Initiative	SPC	Shadow Price of Carbon
GROW	Global and Regional Opportunities Window	TCFD	Task Force on Climate-related Financial Disclosures
GW	Gigawatt	TFs	Trust Funds
HCFC	Hydrochlorofluorocarbon	UNFCCC	United Nations Framework Convention on Climate Change
HFC	Hydrofluorocarbon	WRI	World Resources Institute
HVAC	Heating, Ventilation, and Air Conditioning		
IAEA	International Atomic Energy Agency		
IBRD	International Bank for Reconstruction and Development		

Introduction

Development progress has stalled in many countries amid low growth, increased conflict, and the impacts of climate change. An essential part of our vision to end poverty on a livable planet is helping people and communities adapt to and prepare for the unpredictable and life-changing weather patterns that limit their ability to work, attend school, access healthcare, and live productive lives.

The World Bank Group¹ is helping countries pursue their development goals in ways that account for the context they are working in—so the progress they make is not washed away, broken down, left behind, or rendered ineffective. It is smart development and fiscally responsible.

The World Bank Group's approach is guided by the Climate Change Action Plan (CCAP) 2021–2026,² which outlines the institution's efforts to mainstream climate considerations across its operations. Smart development, in this context, means designing and financing projects that not only drive economic progress but also support adaptation—building resilience to the types of shocks that upend lives and livelihoods, for instance with durable roads, flood-resistant infrastructure, drought-resistant crops, and water-efficient irrigation, and helping countries be better prepared for extreme weather events. It is also about helping countries grow and create jobs while investing in mitigation to help manage and reduce their greenhouse gas (GHG) emissions over time. It means investing in a mix of reliable, affordable, and sustainable energy sources, and extends beyond energy to sectors like agriculture, where better practices can cut methane, and transportation, where shifting freight from roads to rail can lower carbon footprints, and water and waste.

To advance the goals and objectives articulated in the CCAP, the World Bank Group collaborates closely with other

Multilateral Development Banks (MDBs) to apply a jointly agreed methodology for measuring climate co-benefits—referred to as “climate finance”—in order to determine the share of development finance that is directly linked to climate resilience.

Furthermore, the World Bank Group Scorecard which includes 22 targeted results indicators that track the impact of our work on some of the most critical development challenges, includes two dedicated indicators related to climate.

The World Bank Group is the largest multilateral provider of climate finance for developing countries and is directing 45% of its financing towards development projects with climate co-benefits, of which half is for adaptation and half for mitigation in IBRD and IDA operations.

Climate finance for the World Bank Group in fiscal year 2025 (FY25) reached \$50.8 billion (\$22.5 billion for IBRD, \$16.7 billion for IDA, \$8.1 billion for IFC, and \$3.5 billion for MIGA). Over the 2021–2025 CCAP period, the cumulative volume of the World Bank Group climate finance was \$190.3 billion.

During FY25 the IBRD and IDA, (hereinafter, the “World Bank”), advanced climate objectives as requested by client countries, by integrating climate considerations across operations, scaling up climate finance, and strengthening partnerships to support clients.

IDA countries are particularly vulnerable to the threats from climate change, and it is projected that over 130 million people could fall into extreme poverty by 2030.³ The most recent IDA replenishment (IDA21) recognizes and addresses the compounding nature of climate change on existing global challenges.

1 The World Bank Group consists of five organizations: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), and International Centre for Settlement of Investment Disputes (ICSID).

2 CCAP 2021-2026 was initially set to conclude in FY25 and has been extended by one year to June 30, 2026.

3 IDA 21 Replenishment Report from the Executive Directors of the International Development Association to the Board of Governors, available [here](#).

Basis of Reporting

This report for the year ended June 30, 2025, reflects our multi-year roadmap to align climate and sustainability disclosures with the requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards to the extent possible while considering the specialized nature of IBRD and IDA as international organizations.

The preparation of the FY25 Climate-related Disclosure has been guided by the following:

- Data is as accurate and complete as practical and feasible. Assumptions or estimations may be used where actual data is unavailable or unreliable.
- There were no significant methodological changes to the process of identifying, assessing, and responding to climate-related risks in IBRD and IDA's risk management framework.
- There were no significant methodological changes to the process of calculating and monitoring climate-related metrics and targets.
- Consistent corporate boundaries are used wherever possible to allow comparison over time, as stipulated in the Inventory Management Plan (IMP).

The World Bank Group's IMP has been used to calculate and measure the greenhouse gas (GHG) emissions metrics from our internal global business operations. The IMP methodologies are prepared in accordance with the principles and guidance of the World Resources Institute (WRI) and GHG Protocol Initiative.

Introduction to Financial Materiality Assessment

During FY25, the World Bank performed a financial materiality assessment to identify climate-related risks and opportunities⁴ that could reasonably be expected to affect IBRD and IDA's cashflows, financial performance or position over the short, medium, or long term (see Table 1).

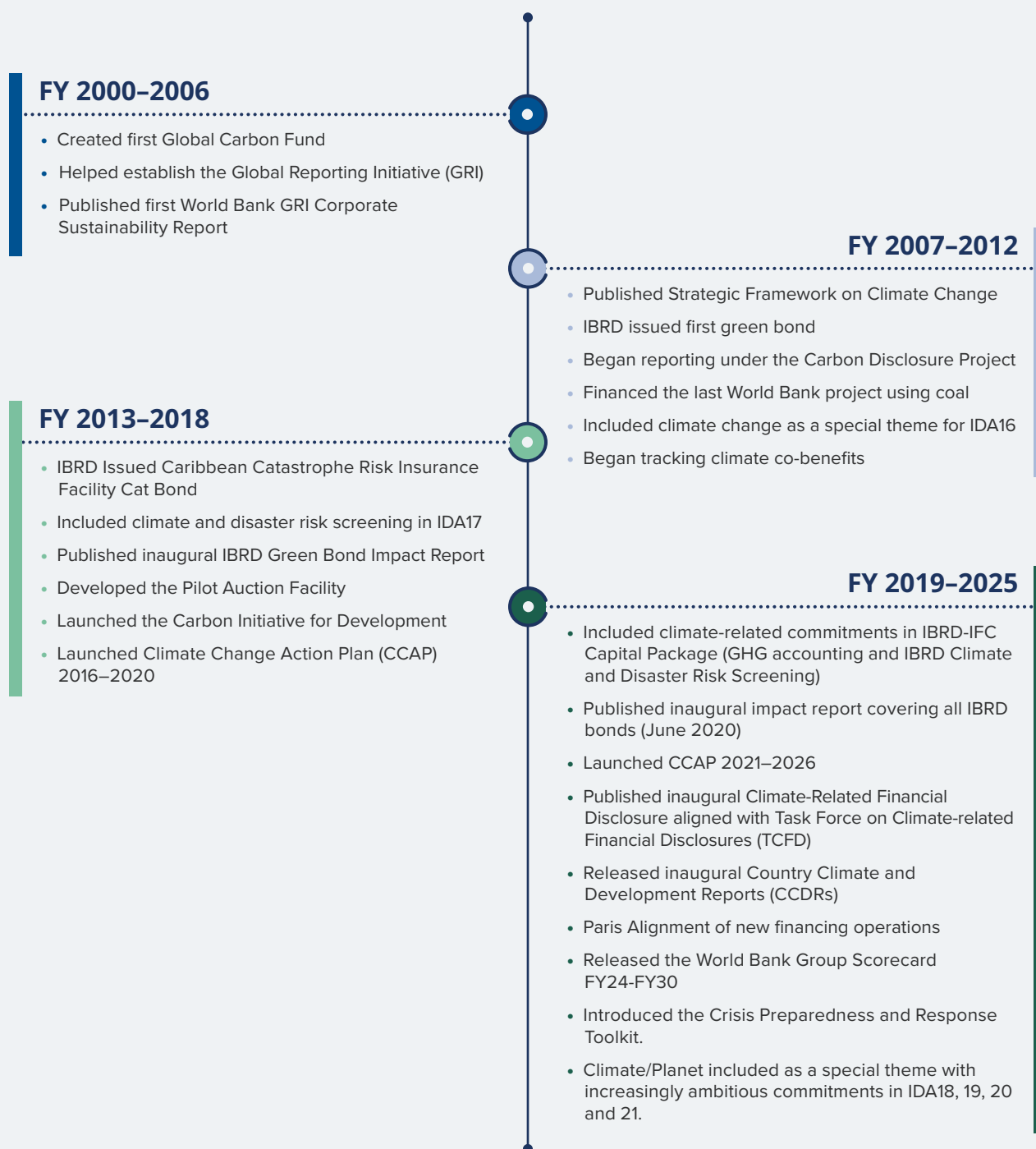
The assessment is part of a broader effort that will focus on material sustainability topics in future reporting periods. It was performed based on the Sustainability Accounting Standards Board (SASB) Standards⁵ and supported by IFRS sustainability materiality guidance, with adjustments made where necessary to align with our multilateral context. We are engaging with other MDBs to promote consistent interpretation and application of the materiality guidance.

⁴ Climate-related opportunities may relate to the development impact of our work in supporting our clients achieve their development goals.

⁵ As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards.

Box 1: Journey of World Bank's Climate-Related Milestones

The World Bank's journey to integrate climate resilience into our development programs began decades ago and continues to support developing countries dealing with the intensifying impacts of climate change. This work includes developing new diagnostics that drive climate resilience at the country level, issuing sustainability bonds, and ensuring that the World Bank's new financing operations are consistent with the objectives of the Paris Agreement. Key milestones from this journey are shown below:



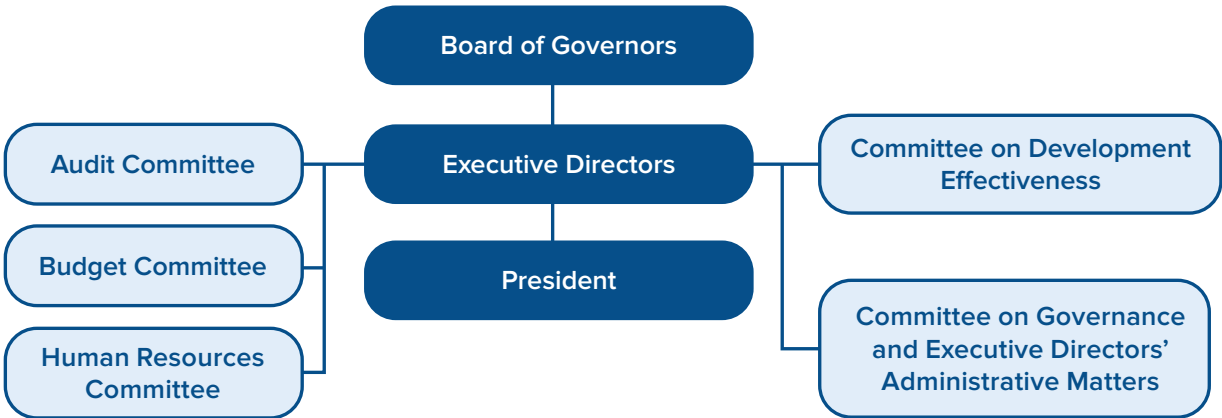
Governance

Each of the decision-making structures of IBRD and IDA consists of the Board of Governors, the Executive Directors (hereafter “the Board”),⁶ the President, management, and staff. The Board of Governors is the highest decision-making authority for both IBRD and IDA (see Figure 1). Governors are appointed by their member governments for a five-year renewable term. The Board of Governors may delegate authority to the Executive Directors to exercise any of its powers, except for certain powers enumerated in IBRD’s and IDA’s Articles of Agreement. The President reports to

the Board, which is responsible for the general operations of IBRD and IDA.

Each Executive Director also serves on one or more of five standing committees, which help the Board exercise its oversight responsibilities through examinations of policies and other key documents. Through its committees, the Board regularly engages with management on the effectiveness of World Bank activities, as well as the independent Accountability Mechanism and the Independent Evaluation Group, both of which report directly to the Board.

Figure 1: Governance Structure



Governance and Oversight of Climate-Related Risks and Opportunities for IBRD and IDA

The management of climate-related risks and opportunities in the World Bank’s development and corporate activities is overseen by our managing directors, who report to the President. Both the Executive Directors and the Board of Governors have recognized climate change

as a global development issue and have endorsed the institutions’ ambition for, and commitments to, integrating climate resilience and development action. Presented to the Board in 2021, the CCAP details how the World Bank Group will integrate climate resilience into its support to developing countries and the private sector through 2026.

The Board receives annual technical briefs from management on the progress made in implementing targets

⁶ Unless the context requires otherwise, the term “Board” refers to both the Boards of Executive Directors of IBRD and IDA. For a full list of senior management and an organizational chart, please refer to the appendices of the *World Bank Group Annual Report 2025*.

and priority areas of the CCAP, as well as on climate-related commitments.⁷ Delivering climate resilience and development goals is an institution-wide effort, cutting across the World Bank's global departments, operational, and corporate units. This is enabled by close collaboration between: 1) a dedicated Climate Change Group (CCG) within the World Bank, which steers the climate agenda at the global level and reports on CCAP progress; and 2) the regional units, which lead country engagement and delivery on the ground. Additionally, a newly created Department for Outcomes is responsible for the Scorecard and provides data that informs progress reporting on CCAP and other climate-related commitments. The World Bank Group's Corporate Responsibility Oversight Committee provides strategic leadership and guidance for the institution's internal corporate sustainability agenda. In addition to the managing directors, the Committee consists of high-level representatives of the World Bank's corporate units, including those that manage the environmental, social, and economic impacts of the World Bank's corporate activities and their reporting.

The Board is responsible for the consideration and approval of projects, as well as delegating such authority to Regional Vice Presidents, Country and Division Directors in certain circumstances. This includes reviewing project documentation generated throughout the World Bank project cycle, encompassing evaluations for Paris Alignment, and climate risk assessments. During project preparation, an Environmental Assessment (EA) of projects proposed for World Bank financing is required to help ensure that projects are environmentally sound and sustainable.

Remuneration Policy

The remuneration policy of the Executive Directors and the salary and contract terms of the President are determined by the Board of Governors and are not linked to specific objectives, including climate-related performance.

Implementation of the World Bank Group Vision

Over the past two years, the World Bank Group has taken strides to become faster, simpler, more impactful, and work toward a vision of a world free of poverty on a livable planet. The Development Committee of the Board is actively reviewing and tracking progress on this vision.

Governance over Climate and Sustainability Reporting

In 2022, a Sustainability Reporting Coordination Group, co-chaired by four World Bank vice presidents,⁸ was established to coordinate the ongoing work on the global sustainability reporting agenda. The group's purview is centered around: 1) Our contribution to the policy dialogue on the development of sustainability reporting standards; 2) Supporting our clients in adopting sustainability reporting standards and frameworks; and 3) Enhancing our own corporate sustainability reporting.

⁷ Through the 2018 Capital Increase for IBRD and the IFC, and the IDA20 and IDA21 replenishments, the Board of Governors endorsed several climate-related commitments, such as increasing the share of climate-related financing and screening all lending investments for climate and disaster risks, among others.

⁸ Vice President for Finance and World Bank Group Controller; Vice President for Prosperity; Vice President of Operations Policy and Country Services (OPCS); and Vice President for Planet.

Strategy

The world is confronting a set of intertwined challenges—including poverty, climate change, debt, food insecurity, pandemics, and fragility—and a need to accelerate access to clean air, energy, and water. The World Bank Group is responding to these challenges through its operations, analytics, partnerships, and enhanced focus on outcomes—all aimed at driving development and creating jobs.

Update on the World Bank’s Strategic Direction on Climate

Implementation of the World Bank Group CCAP 2021–2026

The World Bank’s work on climate resilience and development is guided by the World Bank Group CCAP.

The CCAP lays out our goals of supporting adaptation and mitigation, our diagnostic tools to help countries with analytics related to climate change and development, and our commitment to align financing flows with the objectives of the Paris Agreement to support countries’ climate commitments.

Taking a whole-of-economy approach, it identifies and prioritizes action on the most impactful adaptation and mitigation opportunities, with a focus on transforming key systems that generate the most emissions globally—including energy; agriculture, food, water, and land; cities; transport; and manufacturing—while also helping countries adapt and build resilience to climate shocks. It uses these efforts to mobilize and enable private capital and other sources of climate finance, including additional concessional funds for climate resilience. The World Bank Group is committed to meeting the needs of its clients who are asking that our projects have climate benefits, seeing it as smart development for their unique situations. To respond, the World Bank Group is directing 45% of its financing to development projects with climate co-benefits. In IBRD and IDA, half of that is for adaptation, half for mitigation.

Consistent with the commitment made in the World Bank Group’s CCAP, beginning July 1, 2023, all new IBRD and IDA Investment Project Financing (IPF), Program-for-Results (PforR), and Development Policy Financing (DPF) operations were aligned with client countries’ commitments under the Paris Agreement as well as their pathway toward low GHG emissions and climate-resilient development.

World Bank Group Energy Overview

Under the Energy and Infrastructure sector, the World Bank Group is scaling up its knowledge and financing to deliver faster and more cost-efficient energy solutions to meet growing energy demand while boosting job creation and growth. Our approach prioritizes accessibility and affordability, manages emissions responsibly, and embraces country contexts.

Expanding access to energy has the potential to significantly improve living standards and enhance resilience, as people that lack access to energy are less able to cope with climate change, natural disasters, and extreme weather events. The World Bank is committed to managing emissions, including from energy projects, responsibly; since 2010, we have not financed new coal-fired power plants. Our efforts also include supporting carbon-capture projects and advising on the retirement or repurposing of existing coal plants.

In FY25, the World Bank Group announced its intention to reengage on nuclear energy to support client countries. This will be done gradually subject to the development of the appropriate policy frameworks. The World Bank Group will advance this work in close partnership with the International Atomic Energy Agency (IAEA), leveraging their expertise on nuclear safety, security, and non-proliferation safeguards.⁹

In FY25, the World Bank continued to advise on and finance midstream and downstream natural gas projects that aligned with the World Bank Paris Alignment commitments, provided they did not constrain renewables. In FY25, 0.9% of total new IDA commitments were allocated to direct financing of

⁹ The World Bank Group and IAEA formalized a partnership to collaborate on nuclear energy for development, see [here](#).

fossil fuels in the energy sector. No new IBRD commitments were made for direct fossil fuels financing in FY25.

The World Bank's Focus on Outcomes

The World Bank is increasing its climate benefits in its financing and integrating climate resilience across all relevant sectors in our financing operations. Working closely with client countries and development partners to increase our impact and deliver smart development, we are embedding sustainability and climate resilience in decisions across internal operations, including our facilities and supply chain.

World Bank Group Scorecard: Driving Measurable Climate Outcomes

The World Bank Group launched an updated Scorecard in 2024 to serve as a strategic reporting, managerial, and accountability tool. Covering FY24-FY30, it has four building blocks—vision indicators, client context indicators, results indicators, and results narratives—and provides a view of our collective outcomes across the World Bank Group, allowing us to track progress toward our vision of a world free of poverty on a livable planet.¹⁰

The World Bank Group uses targets to sharpen strategic focus, catalyze innovation, and demonstrate credibility to stakeholders. These targets build on the World Bank Group Scorecard, ensuring alignment with core development priorities while remaining both achievable and transformative. Setting targets for access to electricity¹¹ and Agri Finance,¹² for example, is critical as these sectors are pivotal for driving sustainable economic growth and enhancing resilience against climate change impacts.

MDB Common Approach to Measuring Climate Results

At the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC) in 2023, MDBs agreed to develop a common approach for reporting climate results and impact, with

continued close collaboration to harmonize and improve methodologies for climate indicators.

Since then, MDBs have published the MDB Common Approach to Measuring Climate Results (April 2024) and the MDB Common Approach to Measuring Climate Results: Update on Indicators (COP29, November 2024).¹³ This introduced the first common structure to measuring climate results, a framework to define, measure, and link global progress on climate mitigation and adaptation with MDB results; and an initial list of common indicators for MDBs to explore.

MDBs are now in the process of assessing the potential of their individual institutions to operationalize some or all of these initial common indicators. The indicators within the World Bank Group Scorecard have informed the Common Approach indicators, with multiple indicators adopted (e.g. net GHG emissions). MDBs continue to refine and adjust the Common Approach through lessons learned and continued collaboration on reporting and indicators.

Enabling Country Action on Climate Risks and Opportunities

Driving Climate Resilience through World Bank Analytics and Diagnostics

Introduced in the current CCAP, the World Bank Group's Country Climate and Development Reports (CCDRs) identify opportunities and priorities for investment and reform to improve people's lives, health, and safety while also building more resilient, low-emission, and prosperous economies.

Building on research and data, CCDRs are designed to help countries prioritize the most impactful actions that can reduce GHG emissions and boost adaptation and resilience, while delivering on broader development goals. In FY25, the World Bank Group published 21 new CCDRs covering 31 economies, bringing the total coverage up to 78 countries (see Figure 2). A third CCDR Summary Report was released covering 72 economies, titled: People in a Changing Climate: From Vulnerability to Action. It focused on the role of people as

¹⁰ The latest results can be found [here](#).

¹¹ Mission 300: Target to provide at least 300 million people in Africa with direct access to electricity by 2030, tracked by the Scorecard indicator millions of people provided with access to electricity.

¹² Agri Connect: Target to increase the World Bank Group's own account commitments to Agri Finance and Agribusiness by \$9 billion and to increase the mobilization commitments to Agri Finance and Agribusiness by \$5 billion, on a five-year rolling average over FY25-FY30.

¹³ See more information [here](#).

essential actors in inventing, designing, and implementing solutions to make development more resilient and to reduce emissions.

In many CCDRs structural change and economic growth are found to reduce vulnerability by making the economy less dependent on low-productivity agriculture and providing people with jobs that are less exposed to climate risks.

With a global reach, the existing CCDR recommendations cover 68% of global GHG emissions. The ability for countries to grow and develop while identifying lower emissions pathways aligned with development objectives is a key takeaway from the CCDRs. CCDRs are showcasing low-carbon, resilient investments that would generate climate benefits and contribute to long-term development.

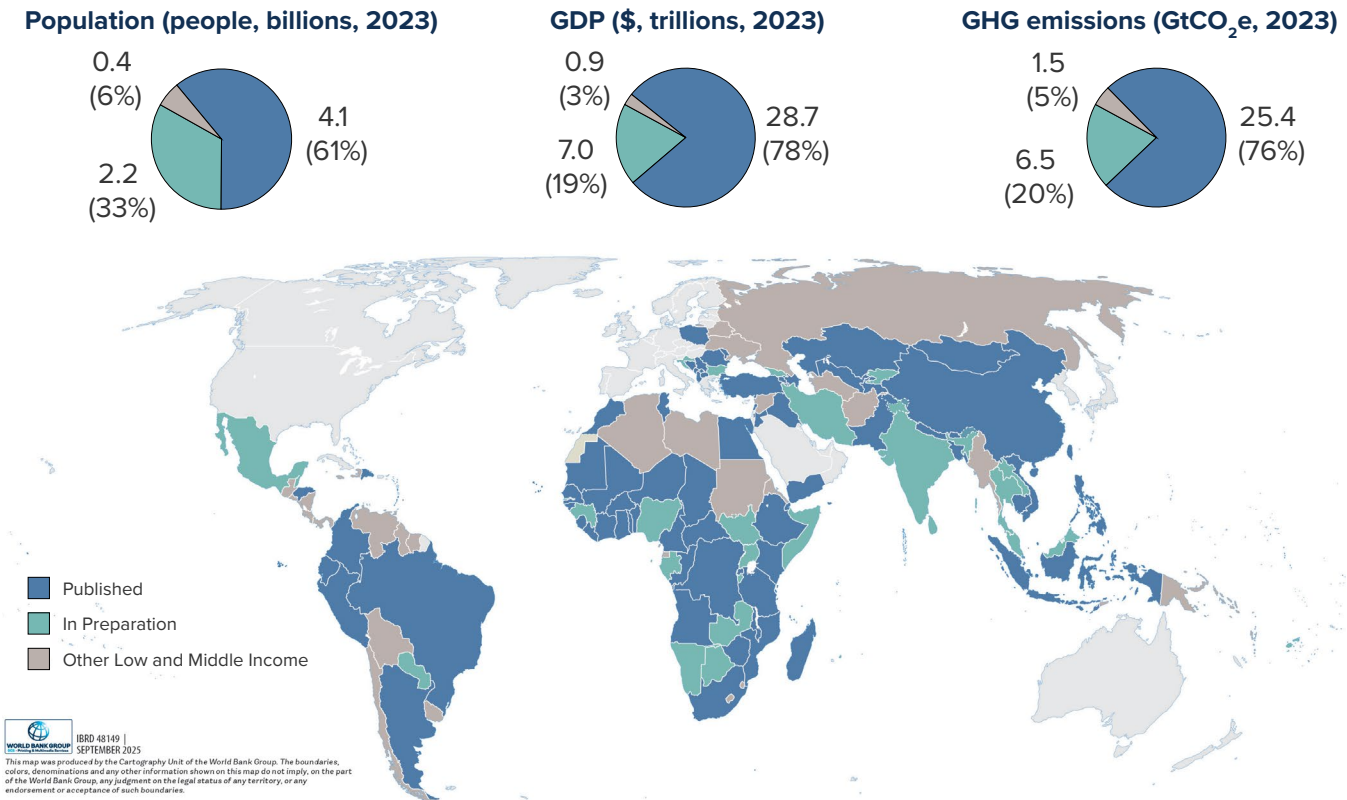
CCDRs influence policy dialogues and World Bank operations and interventions. Operational teams report that

there are different channels and modalities through which this influence operates.

There are five key channels through which CCDRs have had an impact in countries:

1. The World Bank Group's Country Partnership Framework and operations.
2. Direct influence on government policies and action.
3. National or Sector Development Plans, including Nationally Determined Contributions (NDCs), Long-term Strategies (LTSs), and National Action Plans (NAPs).
4. Development partner financing and country-led coordination mechanisms.
5. Innovation, knowledge, modeling tools, and analytical evidence.

Figure 2: CCDRs Status and Countries¹⁴



¹⁴ Data as of end-FY25. Population, GDP, and GHG emissions data covered in published and initiated CCDRs includes 106 economies. Amounts might not add up to the totals due to rounding.

Recognizing that climate adaptation and resilience are crucial components of smart development, a whole-of-economy Adaptation and Resilience (A&R) Readiness Assessment and Diagnostic tool was developed by the World Bank to inform and standardize analysis for CCDRs. Its goal is to evaluate countries' A&R readiness, identify gaps, and prioritize actions across key action areas, thereby informing CCDRs, Country Partnership Frameworks, and more generally World Bank's operations. This tool provides a comprehensive framework and an indicator-based scoring system to support countries to assess A&R gaps

and priorities and track adaptation policy development and implementation. The tool can be adapted to reflect country contexts and priorities while providing a consistent, cross-sectoral and whole-of-economy framework.

The A&R readiness assessment has been carried out for over 45 countries with the underlying data available.¹⁵ The tool and completed assessments have been transferred to some countries to help inform strategic adaptation planning and track progress over time.

Box 2: Integrating Climate Considerations into IBRD and IDA Operations

The World Bank continues to integrate considerations for climate-related risks and opportunities into IBRD and IDA operations through our corporate commitments on climate, such as climate and disaster risk screening for physical risks, GHG accounting, and applying a shadow price of carbon (SPC) for carbon lock-in and transition risks.

Climate and disaster risk screening identifies short- and long-term physical risks faced by World Bank operations. This screening has been required for all IDA operations since FY15, and for all IBRD operations since FY18. Identifying risks and proactively incorporating resilience measures at the early stages of project design can help projects achieve their development objectives.

Climate indicators monitor and track the progress of climate results, measuring outputs or outcomes of financing interventions for mitigation and/or adaptation. Since FY21, all World Bank operations with 20% or more climate finance incorporate at least one climate indicator to monitor and track climate results.

The World Bank Group has developed a Resilience Rating System (RRS), along with an accompanying climate risk stress testing (RiST) method and tool, to help guide investment decisions, improve climate resilience in project design and outcomes, and build resilience of the beneficiaries, communities, and systems. RRS and RiST have been applied to 22 IDA20 operations and achieved 14 "AA" rated projects.

GHG accounting is performed for all World Bank IPF operations where methodologies are available. Applying a SPC in the economic analysis has been required for all IBRD or IDA IPFs that are subject to GHG accounting since July 1, 2017. Additional information on GHG accounting for the World Bank's lending operations can be found in the Metrics and Targets section.

¹⁵ Data available [here](#).

Advancing Country Engagement in Carbon Markets

The World Bank's support to clients on carbon markets, in line with its Carbon Markets Engagement Roadmap, has focused on: (1) strengthening the enabling environment for countries to engage in carbon markets and (2) creating a supply of high-integrity carbon transactions embedded into World Bank operations. Through this approach, the World Bank is providing support along the enabling environment and transaction continuum of the carbon value chain. The Partnership for Market Implementation (PMI) Program strengthens countries' capacity on regulatory, institutional, and digital infrastructure for carbon markets participation and the Scaling Climate Action by Lowering Emissions (SCALE) partnership supports the generation of high-integrity carbon credits from World Bank operations and their monetization on carbon markets through carbon funds.

The World Bank has been a pioneer in carbon markets for over two decades, helping countries to mobilize debt-free finance from projects by providing technical assistance, readiness grants, and results-based climate and carbon finance to support the generation and monetization of high-integrity carbon credits.

In collaboration with the International Organization of Securities Commissions (IOSCO), the World Bank

recognized the critical role of financial market integrity in the development and effective functioning of carbon credit markets in Emerging Markets and Developing Economies (EMDEs). A key component of the partnership is technical assistance to jurisdictions, which fosters the necessary regulatory capacity and market infrastructure for carbon credit markets.

Also to be noted, the Roadmap for Safe, Efficient and Interoperable Carbon Markets Infrastructure was launched at COP29 under the Carbon Markets Infrastructure Working Group (CMI WG) and is to be coordinated by the World Bank.

Implementation of the World Bank's Crisis Preparedness and Response Toolkit

The Climate Resilient Debt Clause (CRDC) of the Crisis Preparedness and Response Toolkit was broadened in FY25 to expand the CRDC event coverage to include all natural catastrophes, including public health emergencies caused by a biological event.

The Crisis Preparedness and Response Toolkit acts as a crucial mechanism to achieve the resilience objectives of our vision and mission with expanded features (see Box 3). There are 66 countries that have availed themselves with at least one instrument from the toolkit.

Box 3: Key Crisis Preparedness and Response Toolkit Enhancements

Broadened CRDC Coverage: Provides eligible borrowers the option to defer principal and/or interest payments (and other loan charges) of new and existing loans for up to two years, following the occurrence of a natural disaster (i.e. drought, floods, earthquakes and tropical cyclones among others) and public health emergencies caused by biological events. CRDCs are offered to IBRD and IDA-eligible Small States, members of the Small States Forum, and Small Island Developing States as defined by the United Nations.

Rapid Response Option (RRO): This loan feature offers countries fast access to cash for emergency response through flexible resource reallocations within a loan instrument. The RRO allows borrowers to repurpose up to 10% of their undisbursed balances in their World Bank loan portfolio to address emergency needs when a crisis occurs. The repurposed funds can be disbursed quickly through a Contingent Emergency Response Project (CERP), an IPF prepared in advance for future emergency response with a pre-defined positive list of expenditures, or by topping up an existing Catastrophe Deferred Drawdown Option (Cat DDO).

Disaster Risk Transfer Transactions (DRTT): The World Bank provides financial services to intermediate a borrower's disaster risk against a wide range of shocks by transferring them to private markets. The toolkit now allows countries to finance the costs of disaster risk transfer transactions (i.e. catastrophe insurance or cat bonds) using World Bank financing.

Catastrophe Deferred Drawdown Option (Cat DDO): The new tools available to all IBRD/IDA countries include increasing access to contingent budget support financing for disaster response by increasing the country limits on DPF Cat DDO (IBRD and IDA). It can be extended with scalable financing through a separate additional DPF, up to 100% of the original Cat DDO. It can also be topped up by the RRO. The combination of the original Cat DDO amount, the scaled additional DPF, and the RRO cannot exceed the country specific Cat DDO limit.

Investment Project with a Deferred Drawdown Option (IPF-DDO): An IPF project component which allows a country to access contingency funding for an IPF at pre-arranged conditions for emergency funding, to backstop an institution or project in a variety of different kinds of crises (e.g., natural disasters). The eligible expenditures are determined by the project.

The Framework for Financial Incentives

IBRD launched the Framework for Financial Incentives (FFI) to provide additional financing options for projects in IBRD countries that support Global Challenges with impacts that extend beyond their own countries.¹⁶ In the first round of allocation in April 2025, seven projects were awarded various financial incentives totaling \$1,314 million for producing climate change mitigation and/or adaptation benefits across borders.

World Bank Supporting Initiatives for Climate Resilience

Supporting Clients in Making their Financial Systems more Resilient

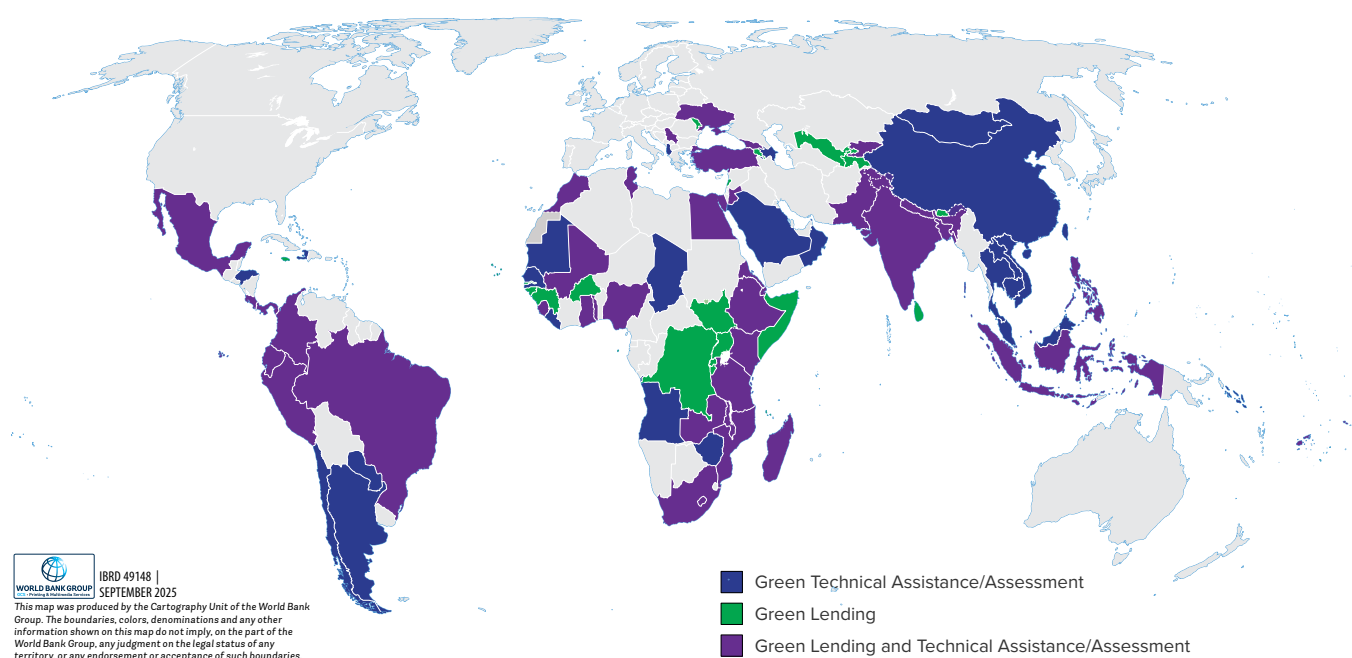
Making their financial system more resilient is crucial for World Bank client countries, as EMDEs face significant risks, including climate-related and nature-based risks. The World Bank has assisted nearly 100 countries with these challenges, currently working with over 60 EMDEs on risk

¹⁶ Addressing the following challenges will be key to advancing the World Bank's new vision and mission: (i) Climate Change Adaptation and Mitigation; (ii) Fragility and Conflict; (iii) Pandemic Prevention and Preparedness; (iv) Energy Access; (v) Food and Nutrition Security; (vi) Water Security and Access; (vii) Enabling Digitalization; and (viii) Protecting Biodiversity and Nature.

management, including related to climate risk, insurance tools, regulatory and supervisory reforms, and green finance development (see Figure 3). Examples of World Bank support include:

- The World Bank has assisted over 40 EMDEs on climate- and nature-related financial risk assessments, with support tailored to each country's unique situation and needs.
- Supporting countries with innovative financial instruments and policy reforms to unlock private capital to protect households, firms, and governments against climate shocks and disasters. DPFs are supporting reforms in these areas. The development of sustainable finance and sustainability-linked financing instruments, combined with World Bank Group's credit enhancement instruments (e.g. guarantees), is also offering some EMDEs the opportunity to diversify their investor base and access capital and loan markets at lower costs.

Figure 3: World Bank Greening Financial Sector Programs and Engagements



Supporting Sustainable Development Through Treasury Products and Services

The World Bank's Treasury has helped catalyze growing interest among investors to integrate sustainability criteria into their bond-investment decisions. In 2008, IBRD jumpstarted a sustainable bond market with the issuance of the first green bond that has seen a total of over \$6 trillion in issuance over the last 17 years from a broad range of issuers including other MDBs, sovereigns, and corporates. Taking a holistic approach, IBRD and IDA label their bonds as "Sustainable Development Bonds" to provide investors with

information on how IBRD and IDA bonds support sustainable development by integrating social and environmental goals.

IBRD continues to innovate and be at the forefront of sustainable finance through its structured notes with recent outcome bonds. Climate finance innovation started with structured bonds in the late 2000s, including notes linked to climate-focused equity indices in 2007 and the first emission reduction-linked bonds in 2008.¹⁷

To support countries' resilience to climate change and natural disasters, IBRD has been a leader in the issuance

¹⁷ Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs. Payments on the bonds described herein are not funded by any project or program.

of catastrophe bonds. “Cat” bonds are issued under IBRD’s “capital at risk” notes program, which can be used to transfer risks related to natural disasters and other risks from developing countries to the international capital markets.

In addition to managing the issuance of IBRD and IDA bonds, the World Bank Treasury also advises and works closely with member countries to help them develop sustainable capital markets through their own issuance as part of its [Sustainable Finance and Environmental, Social and Governance \(ESG\) Advisory Program](#).

Supporting Access to Concessional Financing for Climate Resilience

The 21st Replenishment of resources for IDA (IDA21), which began on July 1, 2025, aligns IDA21’s policy architecture to address priorities across various topical areas: Gender, Jobs, Private Investment, and Fragility, Conflict and Violence (FCV). The policy architecture will support clients in rapidly scaling impact in addressing poverty and inequality with an enhanced focus on climate adaptation and resilience, nature, crisis preparedness, and access to life essentials, such as food security and water.

IDA21 will prioritize strengthening resilience among the poorest and most vulnerable, enabling them to prepare for, adapt to, and respond to shocks.

Specific commitments on climate-related aspects include increasing the share of IDA’s total commitments as climate co-benefits to at least 45% on average, of which gross adaptation finance will be at least half; implement the Global Challenge Programs designed to tackle the nexus of climate adaptation, water, and food systems while championing nature; promoting water security in 30 countries and food security in 45 countries; advancing the World Bank Group Nature Finance Tracking Methodology; and scaling-up programs promoting cross-border externalities through a new Global and Regional Opportunities Window (GROW).

Expanding Climate and Nature-Related Trust Funds

Alongside its core financing, the World Bank Group uses trust funds (TFs) to provide grants and concessional financing for climate change and broader sustainability projects. In the last five years from FY21–FY25, the volume

of grants from IBRD/IDA TFs allocated to recipient-executed activities related to climate change and other environmental issues has increased from \$378 million in FY21 to \$927 million in FY25.¹⁸ These resources allow the World Bank to enhance investment lending, technical assistance, and analytical work, that contribute to clients’ climate goals and low-carbon growth.

For example, 15 countries have signed emission reductions payment agreements with the Forest Carbon Partnership Facility (FCPF). Together, these agreements are expected to pay a total of \$720 million in results-based climate finance by December 2028 for the reduction of 144 million tons of GHG emissions through efforts to curb deforestation and forest degradation and enhance carbon stocks—equivalent to taking 31 million cars off the road for one year.

Financial Intermediary Funds (FIFs) are large, multi-partner financing arrangements established and used by the international community to pool and coordinate funding from many sources to tackle global development challenges, including climate change. FIFs are independently governed and call on the World Bank to serve as trustee and, in some cases, as the secretariat host and implementing entity. The World Bank has no decision-making authority in FIFs.

The World Bank’s financial services support FIFs in expanding global climate finance. For example, the recently launched Fund for Responding to Loss and Damage (FRLD) is now accepting contributions, having signed trustee and secretariat hosting agreements with the World Bank in FY25. The World Bank, as trustee, also provided financial services that helped the Climate Investment Funds (CIFs) enter the international capital market with an inaugural bond issuance in FY25. This will unlock essential financial resources, enabling CIF to extend its reach and attract billions of dollars in private sector investment in clean energy and sustainable infrastructure in EMDEs.

Supporting Sustainable Development with the World Bank’s Nature Portfolio

The unprecedented global decline in biodiversity and vital ecosystem services threaten livelihoods, water supply, food security, and thus can jeopardize hard-won development gains. The loss of biodiversity and ecosystem services (or “nature” for short) is interconnected with climate

¹⁸ FY25 data is as of March 31, 2025.

change—the two challenges reinforce each other and can push the planet toward dangerous tipping points.

Nature's role in mitigating against and adapting to the worst effects of climate change, and in achieving development outcomes, is key. The World Bank Group is enhancing how it tracks its contributions to nature and the implementation of the Kunming-Montreal Global Biodiversity Framework in client countries. As part of the Scorecard for FY24–FY30, the World Bank Group is tracking results for hectares of terrestrial and aquatic areas under enhanced conservation/management. This new indicator measures the terrestrial and inland/marine aquatic areas that benefit from improved protection, conservation, restoration, and/or sustainable management through operations supported by IBRD, IDA, IFC, and MIGA. In FY25, the World Bank Group piloted a Nature Finance Tracking Methodology.

Contributing to Global Climate and Sustainability Standards and Frameworks

As a member of the Network for Greening the Financial System (NGFS) Steering Committee, the World Bank actively contributes to shaping the NGFS strategic agenda. It also contributes at the technical level across all workstreams, and led key publications on transition planning, physical risk and nature scenarios. The World Bank engages with the NGFS due to its leading role in addressing global financial climate issues, expanding EMDE membership, and the collaborative opportunities it offers for sharing knowledge and shaping green finance practices in EMDEs.

The World Bank provides inputs to initiatives such as the Coalition of Finance Ministers for Climate Action, the G20 Sustainable Finance Working Group, the G20 Environment and Climate Sustainability Working Group, and the G7 Disaster Risk Finance Working Group. The World Bank also provides inputs to global financial sector standard setters with a view to reflect the perspectives of EMDEs.

The World Bank has partnered with the IOSCO to assist their emerging market members in designing jurisdictional roadmaps for the adoption or other use of the ISSB standards and provide guidance—including via joint capacity building regional workshops.

An updated Memorandum of Understanding with the IFRS Foundation was also signed in April 2025, with the objective

of supporting, as appropriate, the implementation of the IFRS Sustainability Disclosure Standards, and considering proportionality, scalability, and interoperability.

Additionally, the World Bank is engaging in knowledge sharing across MDBs. The World Bank convenes a sustainability reporting Community of Practice, which consists of financial reporting professionals of 15 MDBs and International Financial Institutions (IFIs). The Community of Practice is a forum where members can discuss sustainability-related disclosure standards and the application of these standards to the MDB context.

Strategic Approach to Corporate Sustainability

The World Bank is committed to managing and reducing its corporate environmental footprint to ensure our financial resources are used in sustainable ways. In operations and engagements in host communities, the World Bank continues to strengthen its commitment to environmental, social, and economic sustainability. The World Bank's progress on corporate sustainability can be found in the World Bank's annual Global Reporting Initiative (GRI) Index and Sustainability Review, which can be found [here](#).

Climate-Related Considerations in the World Bank's Corporate Activities

The World Bank's global real estate and facilities are exposed to the financial impacts of climate-related risks and opportunities. Extreme weather events—more frequent and severe due to climate change—pose significant risks to our office facilities, potentially causing property damage, operational downtime, and increased insurance premiums.

Our commitment to resilience in our facility planning is reflected in the adoption of renewable energy systems, water-efficient technologies, and green building certifications. These features are being implemented consistently across all facilities, from our headquarters to country offices around the world. By prioritizing healthy, efficient, and climate-resilient environments, we aim to ensure that all our facilities remain safe, functional, and future-ready. Climate risk mitigation and sustainable design are fully embedded in the World Bank Corporate Real

Estate project framework, ensuring long-term value and environmental responsibility.

As climate change continues to reshape global risk landscapes, the World Bank is taking strategic steps to safeguard its real estate and facilities portfolio from financial and physical impacts. In response, we are integrating climate resilience into every stage of our facility planning and management. This includes retrofitting existing buildings to better withstand environmental stress and designing new projects that meet and often exceed existing building standards. Sustainability is a foundational principle driving our decisions across the entire real estate portfolio. As part of this effort, we have also updated our Workplace Standards and Design-Build Guidelines, strengthening requirements around sustainability, health and wellness, and climate resilience for all new construction and major renovation projects.

Use of Carbon Offsets to Achieve Carbon Neutrality

The World Bank Group purchases and retires carbon offsets and renewable energy credits to achieve carbon neutrality for its Scope 1, Scope 2, and a portion of its Scope 3 GHG emissions.¹⁹ Guidelines and Criteria for Selection of Emission Reduction Offsets align carbon offset purchases with institutional objectives and support projects addressing climate change. Carbon credits are purchased from IDA-eligible countries.

Climate Considerations in Corporate Procurement Activities

Addressing environmental impacts including climate considerations in Corporate Procurement purchases is one of the main objectives of the Sustainable Procurement Framework, endorsed by senior governance committees at the World Bank Group in 2021. The corporate procurement directive encourages inclusion of specifications to address climate and energy impacts of the purchase of goods and services. In addition, identification, mitigation, and monitoring of environmental and social risks, including climate risk, are integrated into the World Bank Group's Third-Party Risk Management Framework.

To reduce emissions, procurements for carbon-intense goods and services utilize specifications such as eco-labels and low-carbon materials. In addition, the World Bank Group works with vendors who are taking steps to reduce their own emissions. Evaluation of a potential supplier's efforts on setting and achieving net-zero and science-based targets is part of the evaluation of vendor proposals. To date, 25% of World Bank Group vendors by spend have validated science-based targets. In addition, vendors are subject to a Code of Conduct with environmental clauses to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing by using durable products and reusable products. For more information, see [here](#).

¹⁹ The World Bank Group segregates its emission types by Scopes 1, 2, and 3, as defined by the GHG Protocol: Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting entity, including both upstream and downstream emissions.

Risk Management

The World Bank's risk management processes and practices continually evolve to reflect changes in activities in response to market, credit, operational, and other developments. Management believes that effective risk management is critical for the World Bank's overall operations. Accordingly, the risk management governance structure is designed to manage the principal risks that the World Bank entities assume in their activities and supports management in its oversight function, particularly in coordinating different aspects of risk management and in connection with risks that are common across functional areas.

The World Bank uses the "Three Lines Model" for our risk management accountability structure.²⁰ In line with this model, risks are managed at three levels of management to protect the World Bank from significant risks: (i) the business units, with support from specialized functions, are responsible for directly managing risks in their respective functional areas; (ii) the Chief Risk Officer (CRO) provides direction, challenge, and oversight over risk management practices; and (iii) the Group Internal Audit provides independent assurance and advice on the effectiveness of risk management. Management's responsibility to achieve organizational objectives comprises both first- and second-line roles.

The World Bank's risk management process comprises risk identification, assessment, response, and risk monitoring and reporting. IBRD and IDA have policies and procedures

under which risk owners and corporate oversight functions are responsible for identifying, assessing, responding to, monitoring, and reporting risks.

IBRD and IDA Risk Management and Integration of Climate Risks

The World Bank's risk management framework is designed to enable and support IBRD and IDA in achieving their development goals in a financially sustainable manner. The World Bank Group CRO oversees risk management practices for IBRD and IDA. The CRO also promotes cooperation between the World Bank Group entities and facilitates knowledge-sharing in the risk management function.

Processes for identifying, assessing, and responding to climate-related risks, like any other risks, are integrated into the World Bank's risk management framework. IBRD and IDA consider both physical risks from climate change and transition risks in their risk management and assess the impact of each on sovereign borrowers and operations.²¹

Climate-related risks may, over time, impact the financial performance or position of IBRD and IDA through physical and transition risks (see Table 1).²² Should such circumstances arise, any material impact on IBRD and IDA financial statements will be duly and appropriately disclosed and reported.

²⁰ An update of the Three Lines of Defense, The Institute of Internal Auditors (IIA), July 2020.

²¹ Physical risks result from impacts of climate change—related events and can be both acute and chronic. Examples of physical risks include droughts, floods, rising sea levels, and warmer temperatures. Physical risks may affect supply chains, business continuity, damage to physical assets, and other aspects of economic or business activity. Transition risks correspond to the global shift to less carbon-intensive energy sources. Examples of transition risks include changes in climate and energy policies, a shift to low-carbon technologies, changes in consumer preferences, and reputation and liability issues. Transition risks can vary substantially depending on economic reliance on carbon-intensive industries, a country's energy consumption mix, and scenarios for policy and technology changes.

²² These statements and Table 1 are not incorporated in, and do not, nor intend to, amend or qualify any information set forth in IBRD's and IDA's latest Information Statement, management's discussion and analysis, audited annual financial statements and unaudited quarterly financial statements.

Table 1: Climate-Related Risk Impact on the Financial Statements

Risk Definition	Climate Risk		Potential Impact on Financial Statements	Risk Management
	Physical	Transition		
Operational Risk: Risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. These risks could result in financial, reputational, or operational impact on IBRD or IDA.	✓		Expenses – Increased expenses to support staff safety due to natural hazards and costs from disruption of critical activities, potential write-offs for damages to facilities at high-risk country offices, higher insurance premiums and increased costs of retrofitting to build energy-efficient and resilient facilities.	Risks are managed through the Operational Risk Management Framework.
Counterparty Credit Risk: Risk of loss that could result if a counterparty defaults or its creditworthiness deteriorates.	✓		Expenses/Assets - Changes in Fair Value of financial instruments.	Climate-related risks are captured in most high exposure counterparty credit risk assessments. These considerations are reflected in counterparty credit limits.
Country Credit Risk: Risk of loss that could result if a borrower ceases repayment of its obligations to IBRD or IDA.	✓	✓	Expenses/Assets - Increased Loan Loss Provisioning.	Climate-related risks are captured in sovereign credit risk assessments where relevant. These considerations are reflected in IBRD's and IDA's country exposure limits and loan-loss provisioning where relevant.
Market Risk: Risk of loss on financial instruments due to changes in market prices. This includes interest rate risk and foreign exchange risk.	✓	✓	Expenses – Impact on IBRD/IDA's cost of borrowing.	Interest rate derivatives are used to match the sensitivity of assets and liabilities. Currency derivatives are used to match the currency composition of assets and liabilities.

Time Horizons to Assess Climate-Related Risk and Opportunities

The World Bank defines short, medium, and long-term horizons relevant for the evaluation of climate-related risks

and opportunities. The time horizons reflect a combination of tenures which are generally relevant for risk management, liquidity management, strategic decision making and capital adequacy decisions (see Table 2).

Table 2: Time Horizons Used to Evaluate Climate-Related Risks and Opportunities

Time Horizon	IBRD / IDA	Use
Short-term	Up to 1 year	Liquid Asset Portfolio, Operational Risk, Corporate Resilience
Medium-term	1–5 years	Sovereign Credit Risk, Capital Adequacy, Corporate Resilience
Long-term	5 years or more	CCAP, Strategy

Management of Climate-Related Financial and Operational Risks

Financial and operational risks overseen by the CRO include (i) country credit risk in the core sovereign-lending business, (ii) market and counterparty risk, including interest rate, exchange rate, commercial counterparty, and liquidity risks, and (iii) operational risk relating to people, processes, systems, and external events.

Country Credit Risk

Country credit risk is the most significant financial risk IBRD and IDA face. The World Bank uses our own sovereign credit rating methodology to assess all IBRD and IDA borrowers and manage country credit risk.

The assessment is performed by the CRO with a comprehensive approach, using quantitative and qualitative factors relevant to the country's risk of default to IBRD and IDA. It covers areas including economic structure and growth prospects, public finances, external finances, monetary and exchange rate policy, financial and corporate sector vulnerabilities, and political risk. In FY20, physical and transition climate risk factors, such as frequency and magnitude of natural disasters, climate resilience and dependence on carbon intensive industries, were formally and systematically incorporated into the assessment, although they had previously been considered on a case-by-case basis. These sovereign credit ratings are key inputs for managing IBRD and IDA exposure and ensuring adequate loan loss provisioning.

In addition, stress testing analyzes the potential effects of changes in market variables and geopolitical events on the IBRD and IDA portfolios to complement their capital adequacy framework. The World Bank incorporates climate stress testing into the country credit risk management framework to aid in assessing and managing climate-related financial risks.

Counterparty Credit Risk

IBRD and IDA are exposed to commercial and non-commercial counterparty credit risk. IBRD and IDA mitigate the counterparty credit risk from their investment and derivative holdings through the credit approval process,

the use of collateral agreements and risk limits, and other monitoring procedures. The credit approval process involves evaluating counterparty and product-specific creditworthiness, assigning internal credit ratings and limits, and determining the risk profile of specific transactions. Credit limits are set and monitored throughout the year.

Commercial credit risk management includes climate-related assessments in the approval and monitoring of most high exposure counterparties for the liquid asset portfolio and for derivative counterparties.

Operational Risk

The World Bank recognizes the importance of operational risk management activities which are embedded in our financial operations. As part of their business activities, IBRD and IDA are exposed to a range of operational risks, including physical security, staff health and safety, data and cyber security, business continuity, and third-party vendor risks. The World Bank's approach to identifying and managing operational risk encompasses a dedicated program for these risks and a process that includes assessing and prioritizing operational risks, monitoring and reporting relevant key risk indicators, aggregating and analyzing internal and external events, and identifying emerging risks that may affect business units and developing risk response and mitigating actions.

Climate-related operational risks are managed through the Operational Risk Management Framework, which is built on a three-lines model. As the first line, business units manage and report on climate-related operational risks, which are part of the World Bank's operational risk taxonomy. As the second line, the operational risk unit analyzes key climate-related risks highlighted by the business units, and thematic issues (if any) are discussed with the Operational Risk Committee, as appropriate, on a quarterly basis. As the third line, the World Bank's Group Internal Audit periodically reviews the World Bank's operational risk management program and provides assurance on its design and operating effectiveness.

The Operational Risk Taxonomy includes climate-related operational risk as a distinct risk domain.

Management of Development-Outcome Risk

The World Bank assesses how climate risks may affect the ability of IBRD and IDA-financed operations to deliver their intended development outcomes. Development-outcome risk is the risk to the client's ability to achieve expected results in World Bank-supported projects, programs, or strategies, as well as the risk of unintended consequences. Those risks, along with other economic, political, and social factors, are assessed by operational teams using the Systematic Operations Risk Rating Tool (SORT) and monitored at the corporate level by OPCS. SORT is complemented by the World Bank's Environmental and Social Framework (ESF).

- **The ESF supports green, resilient, and inclusive development by strengthening protection for people and the environment and making important advances in areas such as labor, inclusion and non-discrimination, gender, climate change, biodiversity, community health and safety, and stakeholder engagement.** It uses a risk-based approach that applies increased oversight and resources to complex projects and allows for greater responsiveness to changes in project circumstances through adaptive risk management and stakeholder engagement. The ESF places an emphasis on strengthening national environmental and social management systems and institutions and supporting Borrower capacity building. The ESF consists of Environmental and Social Standards (ESSs), which address a range of climate change considerations, including GHG emission estimation and

climate change adaptation. ESS3's focus on resource efficiency, for example, includes an objective to avoid or minimize project-related emissions of short and long-lived climate pollutants. Options for reducing GHG emissions may include alternative project locations; adoption of renewable or low carbon energy sources; alternatives to refrigerants with high global warming potential; more sustainable agricultural, forestry and livestock management practices; the reduction of fugitive emissions and gas flaring; carbon sequestration and storage; sustainable transport alternatives; and proper waste management practices. The borrower may be required to include an estimate of gross GHG emissions resulting from the project, provided that such an estimation is technically and financially feasible.

- **Paris Alignment adopts a risk-based assessment approach, involving a three-step process that leads to a conclusive answer as to whether a given financing operation is aligned with the Paris Agreement.** In practice, this means that a project must be designed to support the deployment of lower-carbon options as applicable, whenever technically and economically feasible, and prevent carbon lock-in and ensure that material climate risks have been assessed and reduced to an acceptable level. To demonstrate this alignment, the World Bank has developed instrument methods, as well as World Bank Group sector notes that complement the joint MDB Methodological Principles for Assessing Paris Alignment. This guidance has been publicly disclosed on the [World Bank Group's external website](#).

Metrics and Targets

The World Bank monitors and reports progress on climate-related targets, commitments,²³ and indicators tied to our operations and corporate practices. The World Bank is on track to meet most of our targets and commitments, including those outlined in the CCAP.

World Bank Group Scorecard Metrics

With the updated World Bank Group Scorecard in FY24, an increased focus has been placed on accountability and impact, providing stakeholders with a clear view of the development outcomes the World Bank Group is supporting.

Taking an outcome-based approach to sustainability and climate, the World Bank Group includes within the Scorecard eight vision indicators that provide high-level measures to gauge the direction and pace of progress in tackling global challenges. This includes two vision indicators to measure climate outcomes related to mitigation and adaptation and resilience.

For mitigation, the World Bank Group captures the vision indicator *global GHG emissions* (Megatons CO₂eq/year), providing insights into the pace of progress in tackling emissions. For adaptation and resilience, the World Bank Group tracks the vision indicator *percentage of people at high risk from climate-related hazards*, providing insights into the population of people who are both exposed to key climate-related hazards and have a propensity to be adversely affected or unable to cope with the impacts of said hazards.

These vision indicators are complemented by Scorecard climate-related results indicators under the Green and Blue Planet for Resilient Populations Outcome Area that track World Bank Group support on mitigation (net GHG emissions per year) and adaptation (millions of people with enhanced resilience to climate risks).

Beyond these, the Scorecard captures outcomes that deliver impacts linked to mitigation through broader indicators, such as gigawatt (GW) of renewable energy enabled, or hectares of terrestrial and aquatic areas under enhanced conservation/management.

The current results under the Scorecard and their methodologies can be found [here](#).

Financing Targets for Smart Development

The World Bank tracks our climate finance using the mitigation and adaptation methodologies developed jointly by 10 MDBs.²⁴ At COP28, the World Bank Group committed to increasing its climate finance from 35% to 45% of total lending for FY25. At the same time, the World Bank Group set a goal for half of climate financing to support adaptation and half for mitigation.

Metrics for World Bank Operational Activities and Advisory Services

With a renewed effort on delivery and impact, in FY25 the World Bank approved 432 operations (including 10 IBRD and IDA blend operations and 29 regional operations) covering 110 countries for total net commitments of \$80.8 billion, of which \$40.9 billion relates to IBRD (139 operations), and \$39.9 billion relates to IDA (303 operations).

Climate Financing Commitments

In FY25, the World Bank delivered \$39.2 billion (IBRD \$22.5 billion and IDA \$16.7 billion) in climate finance, representing 49% of total IBRD and IDA commitments (see Figure 4 and Figure 5). In FY25, 42% of IBRD/IDA climate finance supported adaptation and resilience activities, and 58% supported mitigation.

²³ Certain targets and commitments are set and managed at the World Bank level and are not disaggregated at the IBRD and IDA level.

²⁴ Every year, the MDBs report jointly on their climate finance commitments. The last such report, the [2023 Joint Report on Multilateral Development Bank's Climate Finance](#) was written by a group of MDBs, composed of the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank Group, the Islamic Development Bank, the New Development Bank and the World Bank Group.

Overview of World Bank Climate Finance

Figure 4: Overview of World Bank Climate Financing²⁵

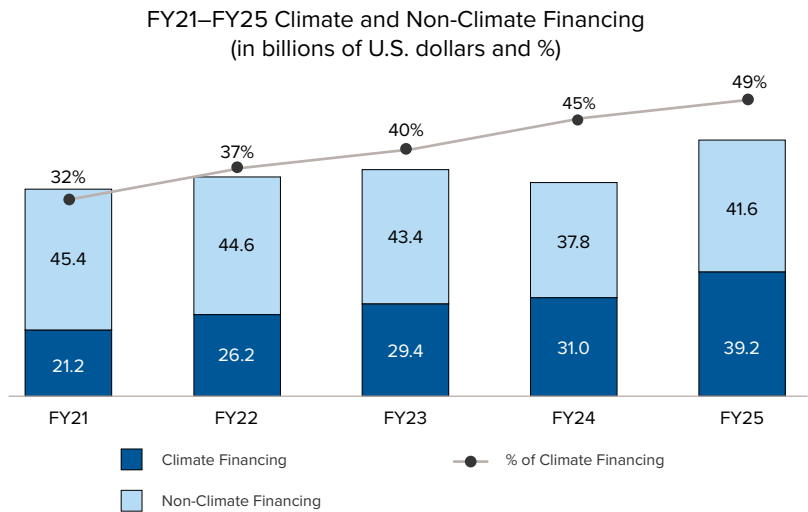
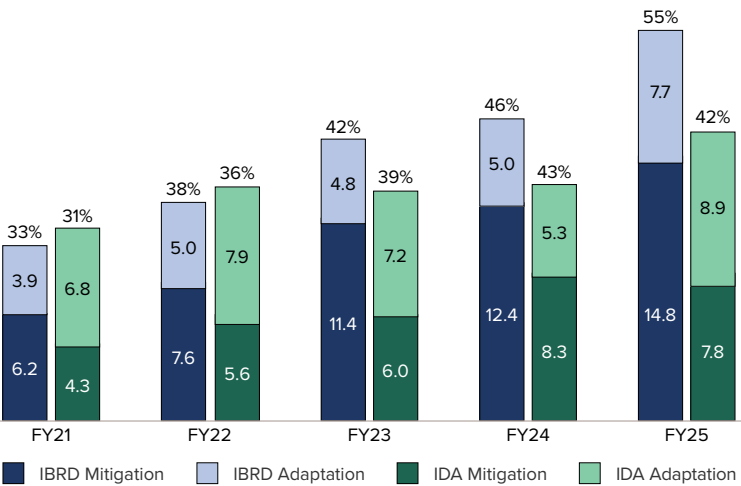


Figure 5: Overview of IBRD and IDA Climate Financing²⁶

FY21–FY25 IBRD and IDA Adaptation and Mitigation Climate Financing
(in billions of U.S. dollars and %)



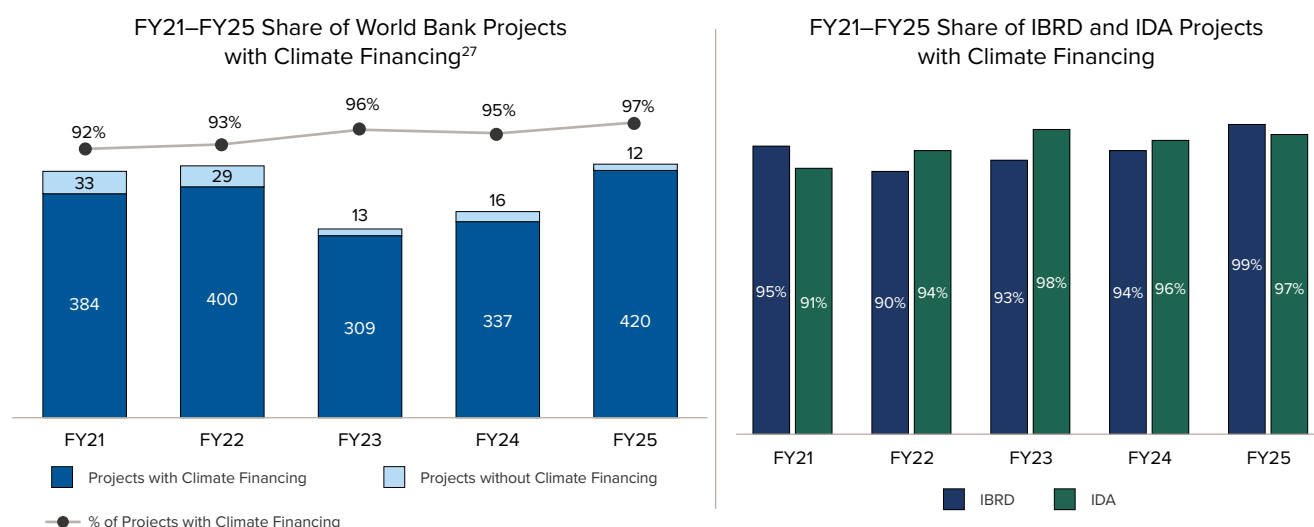
IBRD FY25:
55% or \$22.5 billion
Adaptation: 34% Mitigation: 66%

IDA FY25:
42% or \$16.7 billion
Adaptation: 53% Mitigation: 47%

In FY25, 97% of World Bank projects had a climate financing component (IBRD 99%; IDA 97%), illustrating the institution’s commitment to mainstreaming climate in our operations (see Figure 6). The latest project-level climate finance data for the World Bank are available [here](#).

²⁵ Amounts have been rounded to one decimal for presentation purposes.
²⁶ General Capital Increase Policy Commitment: Increasing the IBRD climate finance target of 28% by FY20 to an average of at least 30% over FY20-FY23, with this ambition maintained or increasing to FY30. IDA20 Policy Commitment: At least 35% climate finance on average over FY23-FY25, with at least half supporting adaptation. IDA21 Policy Commitment: Over FY26 – FY28, the share of IDA’s total commitments as climate co-benefits will be at least 45% on average, of which gross adaptation finance will be at least half.

Figure 6: Share of World Bank Projects with Climate Financing



Climate Finance by Lending Instrument (DPF, IPF, PforR)

In FY25, the World Bank delivered strong climate finance across its operations:

- **DPF:** \$9.9 billion (42% of total DPF commitments; IBRD 46%, IDA 32%) supported the integration of climate into policy and institutional reforms.
- **IPF:** \$23.6 billion (53% of total IPF commitments; IBRD 63%, IDA 46%) focused on project-based solutions like renewable energy and resilient infrastructure.
- **PforR:** \$5.6 billion (45% of total PforR commitments; IBRD 55%, IDA 34%) linked directly to the achievement of climate outcomes.

Table 3: IBRD and IDA Climate Finance Commitments by Lending Instrument²⁸

In billions of U.S. dollars

Instrument	IBRD					IDA				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
DPF	\$ 3.1	\$ 5.6	\$ 6.3	\$ 7.7	\$ 7.7	\$ 1.6	\$ 0.7	\$ 1.4	\$ 1.4	\$ 2.2
IPF	5.5	5.3	7.5	7.1	11.1	8.5	11.8	9.6	10.9	12.6
PforR	1.5	1.7	2.5	2.6	3.7	1.0	1.0	2.3	1.3	1.9
Total	\$10.1	\$12.6	\$16.2	\$17.4	\$22.5	\$11.1	\$13.5	\$13.2	\$13.6	\$16.7

²⁷ Amounts show World Bank-approved operations by FY.

²⁸ Amounts might not add up to the totals due to rounding.

Climate Finance by Region

The World Bank supports countries to advance a low-carbon, resilient transition that is tailored to different country and regional contexts and needs.

Table 4: IBRD and IDA Climate Finance Commitments by Region²⁹

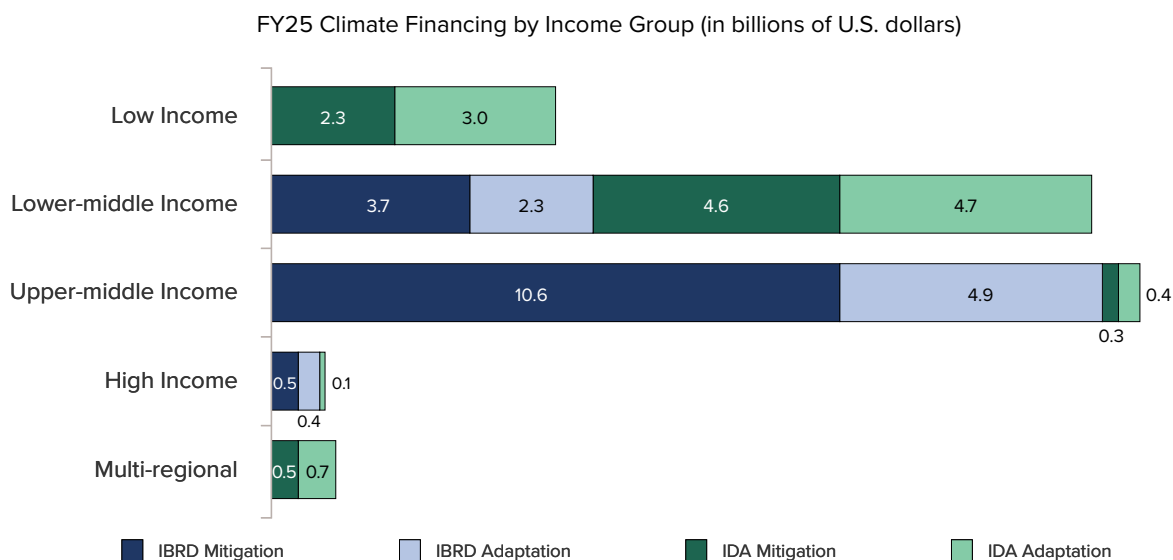
In billions of U.S. dollars

Region	IBRD					IDA				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
Eastern & Southern Africa	\$ 0.4	\$ 0.9	\$ 0.8	\$ 1.2	\$ 1.6	\$ 4.5	\$ 5.6	\$ 5.5	\$ 5.4	\$ 5.4
Western & Central Africa	0.2	0.2	0.2	0.4	0.3	3.1	4.7	4.4	4.3	4.9
East Asia & Pacific	2.0	2.6	2.7	3.8	3.9	0.3	0.7	0.2	0.6	0.7
Europe & Central Asia	1.4	2.1	3.3	4.1	6.2	0.4	0.6	0.2	0.3	1.8
Latin America & Caribbean	3.2	4.3	4.9	4.6	6.0	0.3	0.4	0.1	0.1	0.7
Middle East & North Africa	1.4	1.0	1.9	1.2	3.1	0.2	0.4	0.1	0.0	0.2
South Asia	1.5	1.7	2.4	2.1	1.4	2.1	1.1	2.6	2.8	3.0
Total	\$10.1	\$12.6	\$16.2	\$17.4	\$22.5	\$11.1	\$13.5	\$13.2	\$13.6	\$16.7

Climate Finance by Income Group

In FY25, low-income countries accounted for 13% of total World Bank climate financing, lower-middle income countries for 39%, and upper middle-income countries for 41% (see Figure 7).

Figure 7: World Bank Climate Finance Commitments by Income Group³⁰



²⁹ Amounts might not add up to the totals due to rounding.

³⁰ Amounts for adaptation and mitigation have been rounded to one decimal for presentation purposes. Amounts less than \$0.1 billion are not labeled in the graph. Amounts might not add up to the totals due to rounding.

GHG Accounting for the World Bank's Lending Operations

Development often involves potentially emissive activities, such as the expansion of energy use, transport, or agricultural production. GHG accounting is used to understand the sources of emissions associated with lending operations and that otherwise would occur, and how they can reduce these emissions. Since 2012, MDBs and other IFIs have collaborated through the Technical Working Group of the IFIs (IFI TWG) to harmonize project-level GHG emissions accounting. This collaboration resulted in the adoption of a Harmonized Framework for GHG accounting in 2015.³¹ Along with applying an internal SPC in the economic analysis to incorporate the impact of GHG emissions, GHG accounting is increasingly used to assess the emissions impact of financed activities, scale up of climate resilience and increase its potential to attract additional finance, by leveraging market climate/carbon instruments to incentivize emission reductions.

The World Bank's [GHG accounting methodologies](#) cover key sectors with high GHG mitigation potential: energy, forestry, agriculture, transport, water and sanitation, urban, and information and communication technology; and represent approximately 36% of IPFs and 26% of the World Bank's lending operations. Methodologies are periodically revised and informed by experience, our evolving business needs, the evolution of international methodologies, guidelines and methodologies adopted by the [IFI TWG](#), and publicly available methodologies.³² All IBRD and IDA IPF operations in sectors with approved or endorsed methodologies that exceed predefined thresholds specified for each activity are mandated to undertake GHG accounting. At the project

level, GHG accounting is conducted as an ex-ante estimate of GHG emissions during project preparation.³³

Since FY18, the World Bank has followed a quality assurance process to ensure GHG estimations are robust before they are reported externally. This includes both internal reviews and engagement of an independent third-party verification process.

GHG Emissions of World Bank Operations

The World Bank Group is committed to supporting client countries' pathways to reducing GHG emissions.

The total annual absolute emissions³⁴ for eligible FY25 approved IBRD and IDA operations amounted to anticipated 146.3 megatons of carbon dioxide equivalent per year (CO₂eq/year), of which IBRD represents 2.4 and IDA 143.9 megatons of CO₂eq/year, respectively. The absolute emissions include only direct emissions (Scope 1) associated with the lending operations, consistent with the GHG reporting requirement under the ESF (ESS3)—which recommends the borrower to report Scope 1 emissions as applicable. The disclosure of indirect emissions (Scope 2 and Scope 3 emissions) may be considered for future reporting, subject to the outcome of the ongoing work of the MDBs on the development of principles for calculating and reporting absolute emissions, as part of the "[MDB Common Approach to Measuring Climate Results](#)."

The World Bank Group Scorecard (FY24-FY30), tracks net emissions as an indicator under the Green and Blue Planet and Resilient Populations Outcome Area. Annualized estimations of net GHG emissions are calculated as the difference between project emissions (aggregated over the

31 See details [here](#).

32 This includes the UN Framework Convention on Climate Change's Clean Development Mechanism, Verra and GHG protocol standards. Additionally, this includes the Food and Agriculture Organization's Ex-Ante Carbon-Balance (ExAct) Tool, the Highway Development and Management Model Four (HDM-4) Software, and the Advanced Practices for Environmental Excellence in Cities (APEX, developed with IFC). Further details on the World Bank's GHG accounting methodology and process are available under Data/Methods [here](#).

33 The thresholds for activities vary and have been set in agreement with the World Bank Group's Global Practices with approval from the respective directors. Agriculture and forestry projects are required to report GHG emissions if the net GHG emissions exceed 20,000 tCO₂eq per year. Transport activities and energy transmission and distribution activities have a threshold of \$15 million for each project sub-component. Energy access projects have a threshold of \$5 million for each sub-component. Water projects have thresholds of > 18.5 gCO₂eq/kWh and > 2,500 tCO₂eq/km² for projects with multi-purpose reservoir (water and hydro electricity generation) and hydroelectric components and those with only a reservoir component, respectively.

34 Gross GHG emissions (also referred as "Absolute emissions") at the project level are calculated ex ante of the emissions that a project is expected to generate (also referred as Project emissions) over the economic lifetime of the project. These include emissions from the sources identified within the GHG assessment boundary of the project [i.e. Scope 1 (direct emissions), Scope 2 (Indirect GHG emissions from consumption of purchased electricity, heat, or steam), and Scope 3 (other indirect emissions)].

economic lifetime of the project divided by the expected project life), and the emissions of a baseline scenario (aggregated over the same time horizon).³⁵

The total annual net emissions for eligible FY25 approved IBRD and IDA operations amounted to anticipated reductions of 21.8 megatons of CO₂eq/year, of which IBRD represents 4.6 and IDA 17.2 megatons of CO₂eq/year, respectively. The indicator builds on and enhances existing [methodologies](#).

Shadow Price of Carbon

The use of a SPC in the economic analysis is a corporate commitment for all World Bank IPFs subject to GHG Accounting. Projects that are not subject to GHG accounting do not have to use the SPC in the economic analysis.³⁶

The purpose of applying SPC in economic analysis of projects is to contribute to greater transparency and consistency of the project's GHG impacts to help inform decision making by the World Bank and its clients. The assessment of GHG and application of SPC is reviewed by an external party for quality assurance and control. Please refer to the [2024 Guidance Note on Shadow Price of Carbon](#) for detailed information on the application (including price ranges) and reporting of the SPC.

Metrics for World Bank Corporate Activities

GHG Emissions

Building operations, together with air travel, constitute the largest sources of GHG emissions for the World Bank's current corporate carbon footprint. The World Bank measures direct (Scope 1) and indirect (Scope 2) GHG emissions for our internal operations based on site-specific data for facilities.³⁷ For methodology details and data, please see the [Inventory Management Plan \(IMP\)](#) on the [Corporate Responsibility website](#). In FY24, facility-related Scope 1 and

2 emissions³⁸ rose with staff returning to the office four days a week, resulting in increased building occupancy, and improved data collection process. Total Scope 1 and 2 emissions remained below pre-pandemic level due to on-going building energy efficiency projects.

The World Bank Group utilizes the location-based methodology to calculate Scope 2 GHG emissions from electricity. This approach is consistent with the current emissions target cycle and represents the average emissions intensity of grids where energy consumption takes place.

The World Bank also measures Scope 3 GHG emissions from business air travel (Category 6: Business Travel), contractor-owned vehicles (Category 8: Upstream Leased Assets), in accordance with the GHG Protocol; and food purchases at headquarters (Category 1: Purchased Goods and Services), calculated with the [World Resource Institute's Cool Food Pledge](#) (see Table 6).

The GHG emissions from business air travel, which represent most of the World Bank's Scope 3 emissions, increased in FY24 compared to FY23, as part of a general trend towards pre-pandemic figures.

The increase in building occupancy also contributed to the increase in the GHG emissions from food purchases at headquarters.

Improvements in our data collection process also resulted in the increase in the GHG emissions from contractor-owned vehicles in FY24 compared to FY23.

For more information, please refer to the [World Bank's GRI Index 305-3](#).

³⁵ This includes direct/indirect absolute emissions (Scope 1 and Scope 2, and other indirect GHG emissions from other sources (Scope 3) on a case-by-case basis) and "other consequential emissions", as defined under the IFl TWG Guideline for a Harmonized Approach to GHG Accounting.

³⁶ The corporate commitment is effective for IBRD/IDA projects with concept notes approved on or after July 1, 2017.

³⁷ Data lag by one FY due to timing of data collection.

³⁸ The World Bank does not disaggregate GHG emissions of its global facilities between IBRD and IDA.

Table 5: Scope 1, 2, and 3 GHG Emissions (tCO₂eq)

GHG Emissions ³⁹	FY20	FY21 ⁴⁰	FY22	FY23	FY24
Scope 1	8,348	6,317	4,539	4,748	7,269
Scope 2	36,843	29,059	29,016	29,462	28,548
Scope 3	135,699	4,398	51,925	145,511	162,280

Table 6: Scope 3 GHG Emissions (tCO₂eq)

Scope 3 GHG Emissions	FY20	FY21	FY22	FY23	FY24
Global Business Air Travel (with radiative forcing)	123,680	4,117	47,494	132,938	144,128
Contractor-owned Vehicles	764	281	481	545	922
Headquarters Cool Food Pledge	11,255	0	3,950	12,028	17,230
World Bank Total	135,699	4,398	51,925	145,511	162,280

Table 7: Emission Intensities for Scope 1, Scope 2, and Scope 3 (tCO₂eq)

Emission Intensities	FY20	FY21	FY22	FY23	FY24
Scope 1 and 2 (per square meter)	0.071	0.055	0.052	0.054	0.056
Scope 3 (per full-time equivalent) ⁴¹	7.57	0.24	2.74	7.59	8.37

Inventory Management Plan

The GHG Emissions IMP represents the World Bank Group's comprehensive effort to measure and manage GHG emissions from its internal global business operations. Corporate boundary conditions serve as the foundation for the GHG inventory by defining both its breadth and depth. The World Bank Group has defined both organizational and operational boundary conditions and emissions quantification in accordance with the GHG Protocol guidance to disclose segregated emission types by Scopes 1, 2, and 3. A third party regularly verifies the IMP and the GHG inventory to ensure they meet international best practices.

Emissions from World Bank Group corporate activities include four of the six major GHG gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). There are no known biogenic emissions or emissions from sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), and perfluorocarbons (PFCs). In addition, the GHG inventory includes emissions from chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) as supplemental emissions, both of which are optional for inventory and reporting purposes according to GHG Protocol and Environmental Protection Agency (EPA) Climate Leaders guidance.

39 Data are for all World Bank facilities worldwide. Scope 3 business air travel emissions include radiative forcing. FY20 includes the addition of Cool Food Pledge emissions from World Bank Headquarters food purchases. Details have been captured in the IMP.

40 World Bank facilities were closed or at reduced occupancy and travel was at a minimum for most of FY21.

41 The FY20 figure has been adjusted by 0.07 tCO₂eq to exclude Global Environment Facility (GEF) and MIGA business air travel emissions.

Other Metrics

For other metrics, such as energy intensity ratio, water, and waste, please see the latest GRI report which is available [here](#). For selected World Bank Corporate Real Estate Sustainability Metrics and the supporting initiatives, please see Box 4.

Targets for the World Bank Corporate Activities

Corporate Sustainability Targets

Reducing our corporate environmental impacts is aligned with our institutional mission. Increasing the efficiency of how we run our business at both the facility and staff level reduces natural resource waste and decreases the cost of day-to-day operations.

The World Bank Group has set two absolute targets for emission reductions: (1) reduce Scope 1 and Scope 2 carbon emissions from our own global facilities by 28% by 2026, compared with a 2016 baseline;⁴² and (2) reduce Scope 3 Category 1: Purchased Goods and Services emissions from food purchases by cafeterias, coffee bars, and catering operations at headquarters by 25% by 2030, using 2019 as a baseline under the Cool Food Pledge.⁴³

Ongoing sustainability initiatives include 7 solar panel installations, 16 energy-efficient Heating, Ventilation, and Air

Conditioning (HVAC) upgrades, 34 LED lighting upgrades, and 1 rainwater harvesting installation. This is in addition to the already implemented projects, shown in Box 5.

Additionally, 13 facilities are currently undergoing green building certification review and/or recertification. Food services continue to work on eliminating single-use plastics by first eliminating plastic water bottles and promoting the use of reusable dishware and cutlery.

The World Bank Group has made progress towards the target to reduce Scope 1 and 2 facility-related GHG emissions by 28% against a 2016 baseline and continues its efforts to reach the target by 2026. In parallel, the institution also continues to improve internal processes to ensure availability and quality of GHG emissions data, which may lead to marginal increase in emissions reported. Overall, the FY24 Scope 1 and 2 emissions intensity for approximately 170 World Bank global facilities (in over 140 countries) increased by 3% from FY23.

The World Bank Headquarters experienced an increase in food-related GHG emissions from food purchases compared to its 2019 baseline. The rise is attributed primarily to the increased use of cafeterias and catering services, with staff returning to the office four days a week. The emissions intensity per plate, however, has declined by 10% relative to 2019 levels, reflecting the World Bank's on-going efforts to achieve the target.

Box 4: Selected World Bank Corporate Real Estate Sustainability Metrics⁴⁴



79,075 gigajoules of energy saved.



76 megaliters of water saved.



17,184 metric tons of facility-based GHG emissions saved.

42 28% target includes all five institutions within the World Bank Group, for which IBRD/IDA currently emit approximately 80% of global emissions. 2016 was chosen as the base year for the current Scope 1 and Scope 2 GHG emissions-reduction target because the previous target was ending. 2019 was chosen as the baseline for the Cool Food Pledge because it was the most recent year to the collective pledge baseline (2017) with the most reliable data. Target and baseline years are based on the World Bank's fiscal year (July 1-June 30th) not the calendar year.

43 This goal extends to all World Bank Group's institutions.

44 2016 is the baseline for these metrics. The amounts are for FY24.

Box 5: Completed Sustainability Building Features⁴⁵

48 Green building certifications.	24 Country offices with solar panels installed.	72 Lighting upgrades installed.	31 Hazardous waste disposal sites installed.	43 HVAC systems installed.
27 Electric vehicles charging projects built.	14 Sewage treatment plants installed.	14 Rainwater harvesting mechanisms installed.	30 Electronic waste disposal sites installed.	94 Facility condition assessments conducted.

⁴⁵ The amounts are total completed up to FY25.

Looking Ahead

As the World Bank continues to increase transparency and strengthen the robustness of its climate-related disclosures, FY25 marks a pivotal year in advancing transparency and alignment with IFRS S2. The institution is advancing a series of internal initiatives to align more closely with the IFRS Sustainability Disclosure Standards in future reporting periods. Key enhancements include efforts to improve the quality and timeliness of facilities GHG emissions data, as well as identifying and disclosing other material sources of Scope 3 emissions, beyond those already reported and managed under the IMP.

The World Bank is developing a methodology to expand the coverage of GHG accounting across its projects, with the goal of capturing a more comprehensive emissions profile. In addition, work is underway to design a fit-for-purpose

approach to estimate financed emissions—an essential step in understanding the climate impact of the World Bank’s lending portfolio and aligning with emerging best practices under IFRS S2.

As the climate reporting environment continues to evolve, we will continue to enhance our disclosures in line with evolving global standards. Concurrently, the World Bank is investing in digital infrastructure and data systems to support automation and assurance-readiness of climate data. These foundational steps are paving the way for future third-party assurance, reinforcing the credibility and comparability of the World Bank’s disclosures in line with evolving stakeholder expectations.

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