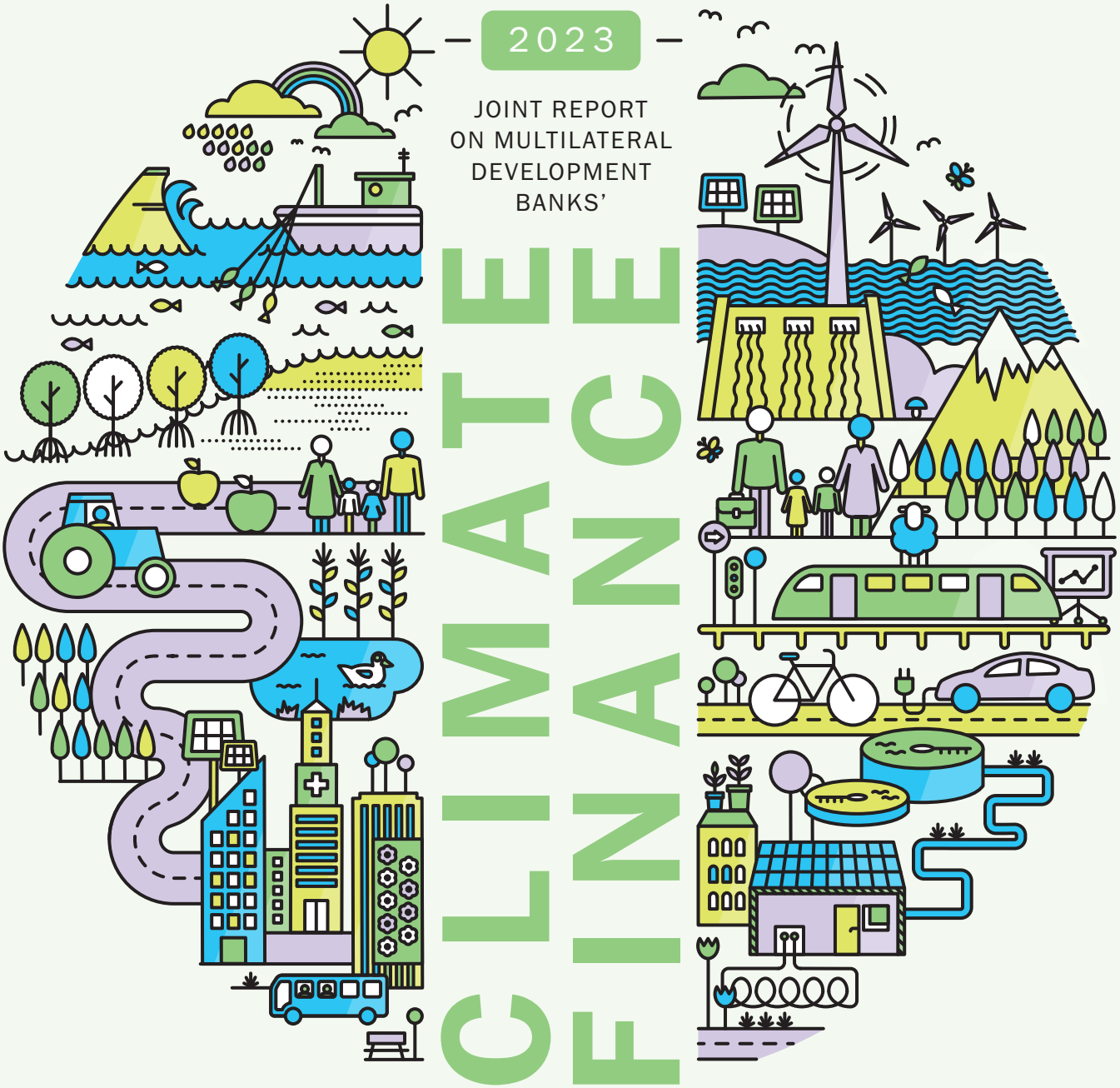
2023

JOINT REPORT ON MULTILATERAL DEVELOPMENT BANKS'

CLIMATE FINANCE



AFRICAN DEVELOPMENT BANK GROUP

ADB

AIIB ASIAN INFRASTRUCTURE INVESTMENT BANK

CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

European Bank for Reconstruction and Development

European Investment Bank

IDB

IDB | Invest

IsDB البنك الإسلامي للتنمية Islamic Development Bank

New Development Bank

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2023 JOINT REPORT ON MULTILATERAL DEVELOPMENT BANKS' CLIMATE FINANCE

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SEPTEMBER 2024

This report was prepared by a group of multilateral development banks (MDBs), composed of the African Development Bank (AfDB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IDBG), the Islamic Development Bank (IsDB), the New Development Bank (NDB) and the World Bank Group (WBG). The findings, interpretations and conclusions expressed in this work do not necessarily reflect the official views of the multilateral development banks' boards of executive directors or the governments they represent.

CONTENTS

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
CCF	Climate co-finance
CEB	Council of Europe Development Bank
CIF	Climate Investment Funds
CO_2	Carbon dioxide
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EU	European Union
€	Euro
FY	Fiscal year
GEF	Global Environment Facility
GCF	Green Climate Fund
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Inter-American Development Bank
IDBG	Inter-American Development Bank Group, composed of the IDB, IDB Lab and IDB Invest
IDB Invest	The private sector arm of the IDBG
IDB Lab	The innovation laboratory of the IDBG
IDFC	International Development Finance Club
IFC	International Finance Corporation
IsDB	Islamic Development Bank
LDCs	Least Developed Countries
MDBs	Multilateral Development Banks
MIGA	Multilateral Investment Guarantee Agency
NAMAs	Nationally Appropriate Mitigation Actions
NDCs	Nationally Determined Contributions
NDB	New Development Bank
SIDS	Small Island Developing States
UNFCCC	United Nations Framework Convention on Climate Change
$	United States dollar
WBG	World Bank Group, composed of IDA, IBRD, IFC and MIGA

PREFACE

The *Joint Report on Multilateral Development Banks' Climate Finance* is an annual collaborative effort to publish Multilateral Development Banks' (MDBs') finance figures and performance on climate finance reporting, together with an explanation of the methodologies for tracking relevant finance as climate finance. This joint report, alongside the banks' publication of climate finance statistics in their respective corporate media, is intended to report on progress in relation to their joint climate finance targets such as those announced at COP21 and the greater ambition pledged for the post-2020 period.

At the UN Secretary General's Climate Action Summit in New York in September 2019, the MDBs issued a high-level statement outlining their joint climate action commitments to 2025. This included an expected annual collective total of $50 billion climate finance for low-income and middle-income economies, and at least $65 billion of climate finance globally, with an expected doubling in adaptation finance to $18 billion; and private mobilisation of $40 billion. As in 2022, in 2023 the MDBs again surpassed these collective expectations on climate finance – both for low- and middle-income economies, and globally. They also notably increased adaptation finance to over $25 billion across all the economies in which the MDBs operate. Despite this, MDB adaptation finance still lags significantly behind mitigation. We therefore need to challenge ourselves to strengthen our collective efforts to support the Paris Agreement adaptation goals and enhance adaptation finance. The table in Annex C.6. summarises individual post-2020 MDB climate commitments.

In April 2024, Heads of the ten MDBs that are the subject of this report announced joint steps to evolve into a "better, bigger, and more effective" MDB system and increase the impact and scale of their work to tackle urgent development challenges.[1] Building on progress on commitments made under the Marrakesh MDB Joint Statement in October 2023 and their COP 28 Joint Statement[2], the MDB heads presented key deliverables for joint and coordinated actions for 2024 and beyond, taking into consideration the specific mandates, governance structures and reform initiatives of each MDB. The MDBs' April 2024 statement also contributed to the discussions on MDBs under the G20 Brazilian Presidency and other global policy fora.

Since the first *Joint Report on Multilateral Development Banks' Climate Finance*, which covered climate finance for 2011, figures reported have been based on a joint MDB climate finance tracking and reporting methodology. The initial group of MDBs developed this harmonised methodology in 2011 and published it in their early joint reports. This methodology has been gradually updated as and when needed, in light of experience and global developments in this space. In 2015, the MDBs and the International Development Finance Club (IDFC) worked together to agree on a set of common principles for climate change mitigation finance and an initial set of common principles for climate change adaptation finance with an intention to take a common approach to tracking and reporting on climate finance. The MDBs and IDFC published an updated version of the *Common Principles for Climate Mitigation Finance Tracking* in October 2021. The updated version includes a breakdown of types of eligible activities, clear criteria that must be met and additional guidance to facilitate the application of these criteria to qualify as mitigation finance. MDBs and IDFC have made further minor updates in a new version of the *Common Principles for Climate Mitigation Finance Tracking*, published in December 2023. In this year's report – as in last year's report – all MDBs in the current group of ten MDBs have applied the 2021 version of the methodology for determining their climate mitigation finance. Therefore, there are no methodological differences for climate change mitigation finance between the 2022 report and this 2023 report.

In addition, the MDBs updated the *Joint Methodology for Tracking Adaptation Finance* in 2022. This update was agreed by all MDBs and launched in November 2022 at COP27. The update reflects

1 https://www.iadb.org/document.cfm?id=EZIDB0000577-986313001-135

2 https://www.eib.org/en/press/all/2023-490-cop28-multilateral-development-banks-boost-joint-action-on-climate-and-development

the evolving understanding of adaptation and the advancements in the field of adaptation finance in recent years. The 2022 methodology complements ongoing efforts by the MDBs to enhance the robustness and transparency of climate finance tracking and reporting, and support climate action, in line with the objectives of the Paris Agreement. This methodology, also harmonised with IDFC in 2023, has been adopted to be effective from 2023 onwards by most of the MDBs. This year's report, therefore, reflects this.

From the 2014 edition onwards, the joint reporting has included climate co-finance figures alongside MDBs' own climate finance. Regarding geographic coverage of the report, the first eight editions provided climate finance data on a group of emerging and developing economies which included low- and middle-income as well as some high-income countries. From 2019 onwards the MDBs' annual report included data for all countries of operation of the MDBs, with data split by country income level, to improve transparency and with a focus on low- and middle-income countries. Moreover, an annex with additional details on climate finance in Least Developed Countries (LDCs) and Small Island Developing States (SIDS) has been included in the report as of the 2022 version.

The MDBs will continue to improve their tracking and reporting of climate finance as an important part[3] of their overall commitments on Paris Alignment. MDBs continue to work closely with IDFC on improving climate finance tracking and reporting. MDBs and IDFC are currently working to update the *Common Principles for Climate Adaptation Finance Tracking*,[4] aiming to share them at COP29.

MDBs have also continued working together on improving the assessment and reporting of the climate results of their financing. Many MDBs work actively with the international financial institution working group on greenhouse gas accounting where harmonised greenhouse gas reporting methodologies are developed. Furthermore, several MDBs and IFIs also worked together in 2015 on impact reporting for Green Bonds, while MDBs[5] and members of the IDFC published the joint *Framework and Principles for Climate Resilience Metrics in Financing Operations*. This framework sets out the core concepts and characteristics of climate resilience metrics alongside a high-level framework for such metrics in financing operations.

This edition of the *Joint Report on Multilateral Development Banks' 2023 Climate Finance* was prepared by the European Investment Bank together with partners 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 Inter-American Development Bank Group, the Islamic Development Bank, the New Development Bank and the World Bank Group.

September 2024

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Download the infographic summary at:
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3 "Accelerated contribution to the transition through climate finance" – Climate Finance is covered in Building Block 3 of the MDBs' joint Six Building Blocks of Paris Alignment framework: Multilateral Development Banks announce joint framework for aligning their activities with the goals of the Paris Agreement (eib.org).

4 https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Common_Principles_for_Climate_Change_Adaptation_Finance_Tracking_-_Version_1__02_July__2015.pdf

5 AfDB, ADB, AIIB, EBRD, EIB, IDBG and IsDB.

EXECUTIVE SUMMARY

This 13th edition of the *Joint Report on Multilateral Development Banks' Climate Finance* is an overview of climate finance committed in 2023 by the African Development Bank (AfDB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IDBG), the Islamic Development Bank (IsDB), the New Development Bank (NDB) and the World Bank Group (WBG).

As in previous years, the data and statistics presented in this year's report result from the application of the harmonised methodologies developed jointly by the multilateral development banks (MDBs) for their annual commitments. In this report, the term "MDB climate finance" refers to the financial resources (from own accounts and MDB-managed external resources) committed by the MDBs to their operations, and components thereof, directed to activities that mitigate climate change and/or support adaptation to climate change. The term "climate co-finance" refers to the volume of financial resources invested by other public and private external parties alongside the MDBs for climate change mitigation and adaptation activities. The MDBs have reported jointly on climate finance since the first edition in 2012, which reported figures for 2011, and have added joint reporting on climate co-finance since the 2015 edition. Starting with the 2019 report, for the purpose of greater transparency and consistency, the multilateral development banks agreed to start reporting on all economies where these banks operate, while maintaining the report focus on low- and middle- income economies.[6] This change allowed for a clear breakdown by country income level.

The MDB climate finance commitments are presented in this report in two main groups: 1) low-income and middle-income economies, a grouping that includes low, lower-middle and upper-middle income economies, and 2) high-income economies. These data sets are presented in two separate chapters. The MDBs endeavoured to attribute any climate finance falling into the category of global, multi-regional and regional projects to specific income groups. The economies are categorised by income group in accordance with the World Bank Group's classification dated June 2023 (see Tables B.1 and B.2). This version of the report also provides further analysis of MDB climate finance in Least Developed Countries (LDCs) and Small Island Developing States (SIDS) in Annex A.5.

LOW- AND MIDDLE-INCOME ECONOMIES

In 2023, $74.7 billion was for low-income and middle-income economies. $50 billion or 67% of this total was for climate change mitigation finance and $24.7 billion or 33% was for climate change adaptation finance.

In 2023, MDBs reported $59 billion of their climate finance for public recipients and $15.7 billion for private recipients in low- and middle-income economies.

The report also shows that MDB climate finance investments in low- and middle-income economies are supported by a total of $68.8 billion for climate co-finance, with 72.8% in mitigation activities and 27.2% in adaptation activities. 58.5% of climate co-finance in low- and middle-income economies came from public sources and 41.5% from private sources.

6 Before 2019, the joint MDB report covered climate finance for developing and emerging economies.

HIGH-INCOME ECONOMIES

In 2023, $50.3 billion was allocated for high-income economies. $47.3 billion or 94% of this total was for climate change mitigation finance and $3 billion or 6% was for climate change adaptation finance.

In 2023, the multilateral development banks reported $26.9 billion of their climate finance for public recipients and $23.4 billion for private recipients in high-income economies.

The report also shows that MDB climate finance investments in high-income economies are supported by a total of $103 billion for climate co-finance, with 97% in mitigation activities and 3% for adaptation activities. 29.5% of climate co-finance in high-income economies came from public sources and 70.5% from private sources.

Figure 1a presents MDB climate finance commitments reported for 2019-2023 for low- and middle-income economies where the MDBs operate, while Figure 1b shows MDB climate finance commitments reported for the same period for high-income economies where the banks operate.

Figure 1a. MDBs' climate finance commitments in low- and middle-income economies, 2019-23 (in $ billion)

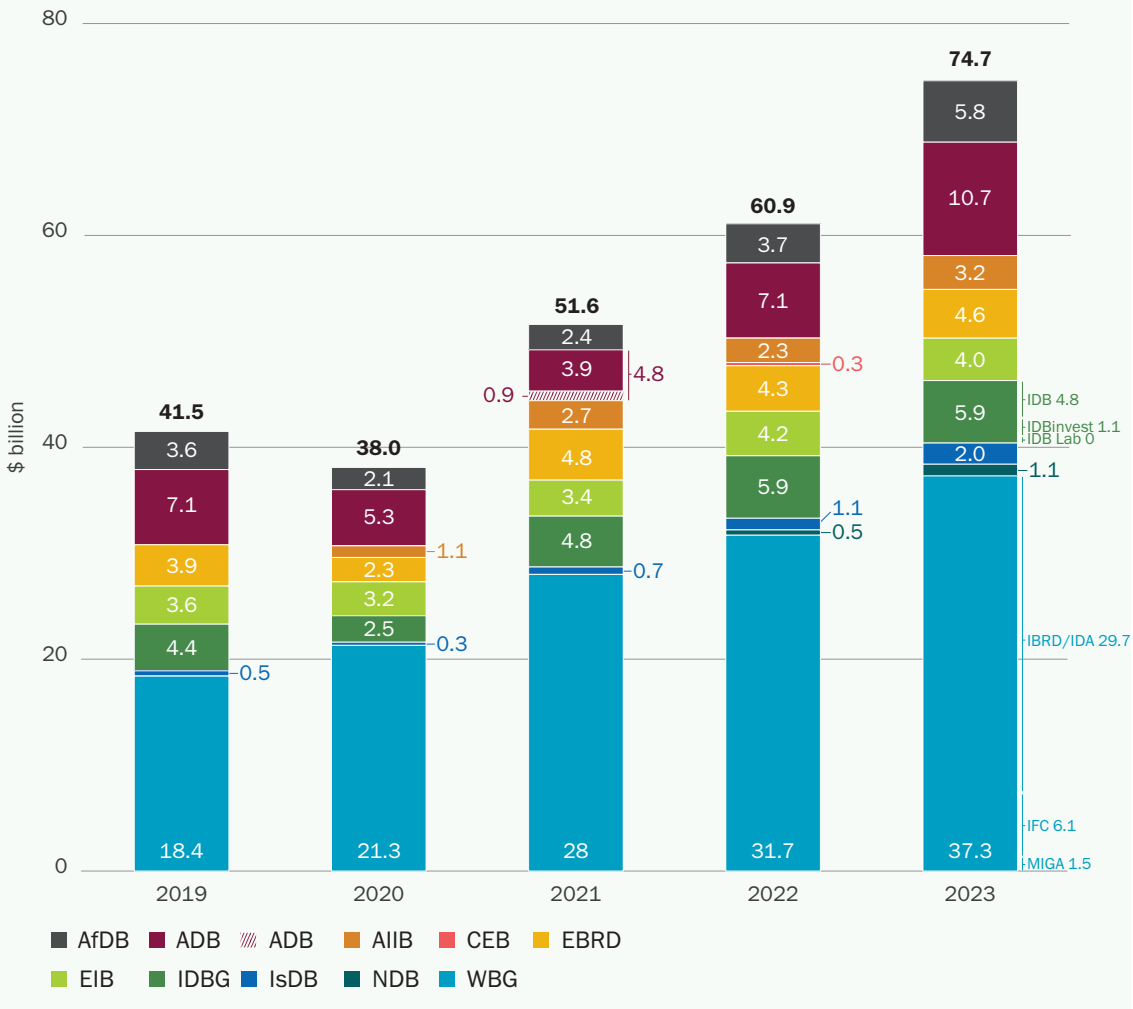
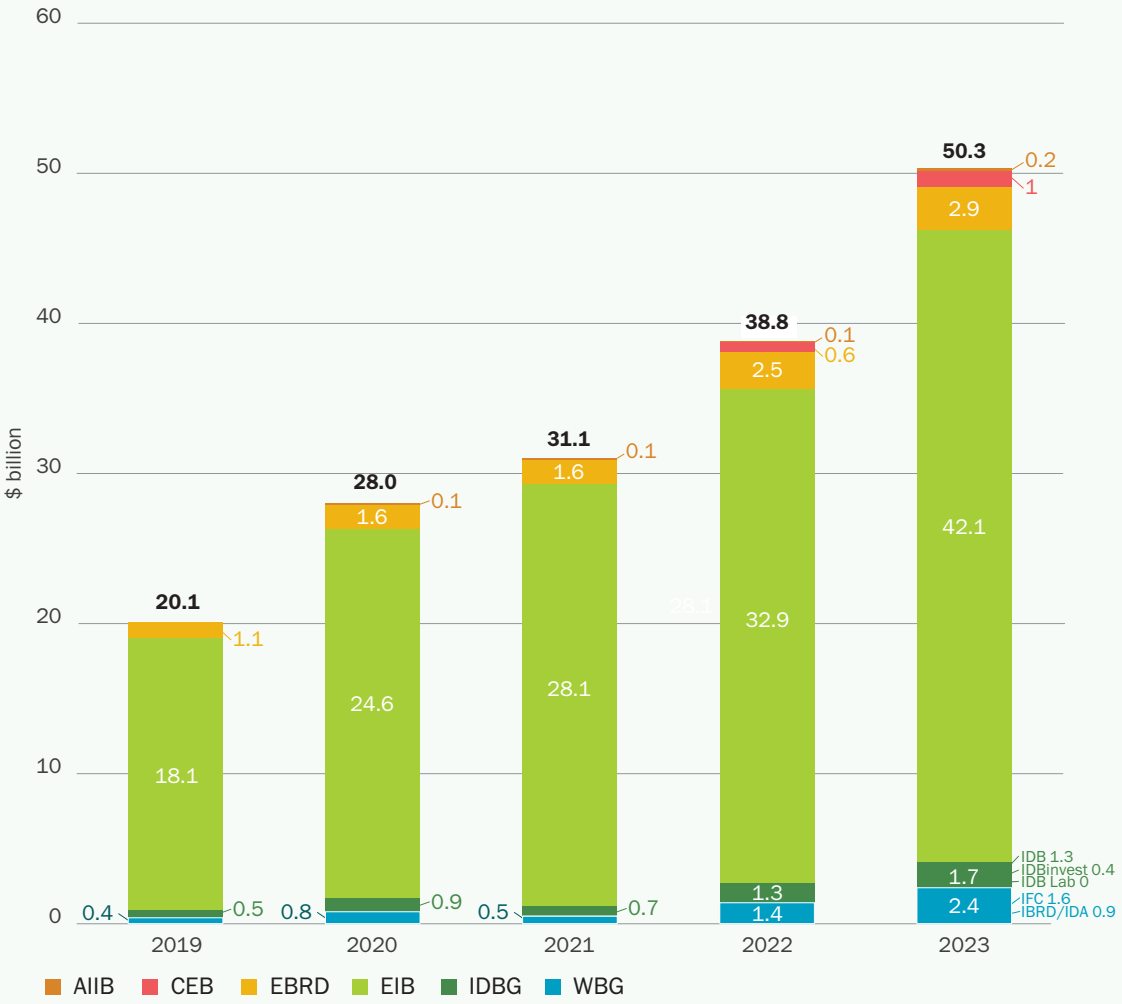


Figure 1b. MDBs' climate finance commitments in high- income economies, 2019-23 (in $ billion)



Notes for Figures 1a and 1b:

1. Starting in 2021, the reporting of ADB's climate finance is based on commitments or signatures and not on approvals. This is in accordance with the decision made in 2017 to measure and report ADB's corporate performance based on commitments up to 2030.
   For ADB, External Resources under Management (ERUM) includes ADB-administered financial resources from financing partners, including AIIB. ADB administers financing from AIIB for several projects, some of which have components that contribute to climate finance.
   For 2023, ADB reports climate adaptation finance of $13 million from ADB-administered financing from AIIB. To avoid double-counting, these amounts are excluded from the 2023 total MDB amounts as AIIB reports climate finance for the same projects as a share of its financing under own resources.
   The project in this case belongs to the category of public recipient and to the East Asia and the Pacific region; it is an investment loan and it is implemented under the category of "Energy, transport and other built environment and infrastructure."
2. IDBG's figures have included all climate finance for public and private borrowers or beneficiaries in all 26 IDBG borrowing member countries, via its three operational windows – IDB, IDB Invest and IDB Lab – on the basis of approval by the respective boards of executive directors. In 2023, IDBG climate finance consisted of: $6.1 billion through IDB; $1.5 billion through IDB Invest's total commitments of own-account long-term finance; and $25 million through IDB Lab.
3. The IsDB-reported climate finance commitment excludes operations of some IsDB Group members, that is, the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC).
4. EIB 2019-23 climate finance commitments shown here include all EIB countries of operation, including all EU economies, whereas only some EU economies' climate finance commitments made by EIB, EBRD and WBG were included in 2018 and earlier MDB reports. Please see Annex B for details of specific geographical coverage in past editions of the Joint Report.
5. WBG climate finance resources (including own-account and managed external resources) for IFC, MIGA and IBRD/IDA were $7.6 billion, $1.5 billion (including $3.7 million of managed external resources), and $30.5 billion (including $1.1 billion of managed external resources), respectively, for the fiscal year 2023 (FY23), which covers the period from 1 July 2022 to 30 June 2023. In FY23, IFC's total commitments of own-account long-term finance were $16.7 billion, and its share of long-term finance own-account climate commitments was 46%. For MIGA, the total guaranteed amount in FY23 was $5.5 billion and climate finance reached 28%. IBRD/IDA total commitments of own account were $72.8 billion in FY23, with climate finance accounting for 40%. NB: IBRD/IDA can also be referred to as the World Bank (WB).
6. The CEB, EBRD and EIB climate finance figures in this chart are based on the annual average European Central Bank rate. For 2023 the exchange rate used is €1 = $1.0813.
7. Numbers in the tables and figures in this report may not add up to the totals shown, due to rounding.
8. Numbers at the top of the columns show the totals for each year, in $ billion.

The multilateral development banks apply two distinct methodologies – with fundamentally different approaches – to tracking climate change adaptation finance (or "adaptation finance") and climate change mitigation finance (or "mitigation finance"). Both methodologies, however, track and report climate finance in a granular manner. In other words, the climate finance reported covers only those components and/or sub-components or elements or proportions of projects that directly contribute to or promote adaptation and/or mitigation.

The multilateral development banks estimate adaptation finance using the joint MDB methodology for tracking climate change adaptation finance, which involves a three-step approach. This methodology is based on a context- and location-specific, granular and conservative approach and captures the amounts associated with activities directly linked to vulnerability to climate change. The banks try as far as possible to differentiate between their usual development finance and finance provided with an explicit intent to reduce vulnerability to climate change. This methodology was updated with a new joint methodology in November 2022.[7] In July 2015 the multilateral development banks and the IDFC agreed an initial set of *Common Principles for Climate Adaptation Finance Tracking*.[8] The organisations continue to harmonise their approaches to tracking adaptation finance. The MDBs' climate change adaptation finance in 2023 totalled $27.7 billion, of which 89% was directed at low- and middle-income economies.

The multilateral development banks' methodologies for tracking climate mitigation finance align with the *Common Principles for Climate Change Mitigation Finance Tracking*[9] that the MDBs and the IDFC jointly agreed and first published in March 2015. At COP24 in 2018 they announced a plan to work jointly to review and strengthen the Common Principles for Climate Mitigation Finance Tracking. Mitigation finance is estimated in accordance with the joint MDB methodology for tracking climate mitigation finance, which is based on a list of activities in sectors and sub-sectors that reduce greenhouse gas emissions and are compatible with low-emission development. In 2020, the MDBs finalised their review of the methodology for tracking climate mitigation finance and commenced tracking using the new methodology on 1 January 2021 for AfDB, ADB, AIIB, CEB, EBRD, EIB, IDBG, IsDB and NDB and on 1 July 2021 for the WBG, to coincide with each institution's new fiscal year. The new version of the methodology includes a more granular breakdown of types of eligible activities, clear criteria that must be met and additional guidance to help interpretation. Climate change mitigation finance in 2023 totalled $97.2 billion, of which 51% was directed at low- and middle-income economies.

In addition to reporting on mitigation and adaptation finance, some multilateral development banks report on volumes of climate finance that have dual, simultaneous benefits: reducing greenhouse gas emissions and promoting adaptation to climate change. In 2023, AfDB, AIIB, EBRD, IDBG and IsDB reported a total of $3 261 million for dual-benefit projects. See Annex C.4 for further climate finance statistics and examples of such projects. Given the relatively small volumes of "dual-benefit" climate finance and in order to simplify data presentation the tables and graphs throughout this report present data by mitigation or adaptation finance, as indicated by the reporting multilateral development banks.

Annex A provides additional information on MDB total climate finance aggregated across all their countries of operation.

7 Joint Methodology For Tracking Climate Change Adaptation Finance https://www.eib.org/attachments/lucalli/20220242_mdbs_joint_methodology_climate_finance_en.pdf

8 https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Common_Principles_for_Climate_Change_Adaptation_Finance_Tracking_-_Version_1__02_July__2015.pdf

9 The Common Principles for Climate Mitigation Finance Tracking are set out in Annex C.3: https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf

1

OVERVIEW OF MDB METHODOLOGIES FOR TRACKING CLIMATE FINANCE

The tracking of MDB climate finance is based on the harmonised principles and jointly agreed methodologies for tracking climate adaptation and mitigation finance detailed respectively in Annex C.2 and Annex C.3 of this report. In this publication, the term "MDB climate finance" refers to the amounts committed by the multilateral development banks to financing climate change mitigation and adaptation activities in the projects they undertake. See Annex B for details of the 2023 report's geographic coverage, and that of past editions.

MDB climate finance includes commitments from the multilateral development banks' own accounts, and from external resources channelled through and managed by the banks. Climate co-finance includes the amount of financial resources contributed by external resources alongside MDB climate finance. These may include entities from both the private (commercial) and public (non-commercial) sectors.

1.1 FINANCE FOR ADAPTATION TO CLIMATE CHANGE

Climate change adaptation aims to reduce the risks or vulnerabilities posed by climate change and to increase climate resilience. Identification of climate change adaptation finance is the result of a three-step process and thus, for a project to be counted either fully or partially towards MDB adaptation finance, it must:

a. Set out the project's context of vulnerability to climate change.
b. Make an explicit statement of intent to address this vulnerability as part of the project.
c. Articulate a clear and direct link between the vulnerability and the specific project activities.

The MDB methodology for tracking climate change adaptation finance follows a context- and location-specific, conservative and granular approach. It tracks MDB financing only for those components and/or sub-components or elements or proportions of projects that directly contribute to or promote adaptation. It is important to note the following:

a. The adaptation finance reported may not capture certain activities that might contribute significantly to resilience but cannot always be tracked in quantitative terms (for example, operational procedures that support adaptation to climate change) or might not be associated with costs (such as siting assets outside flood-prone areas).
b. Climate adaptation finance, as defined by the methodology, is not intended to capture the value of an entire project or investment that may increase resilience as a result of specific adaptation activities that take place as part of the project.
c. The adaptation finance reported captures financial support for actions aimed at, among others, averting, minimising and addressing the risk associated with the adverse effects of climate change, including extreme weather events and slow onset events. It includes support for anticipatory actions needed to increase preparedness, reduce climate vulnerability, and adapt to the experienced and anticipated impacts of climate change, as well as financing of post-disaster recovery and reconstruction needed in the aftermath of climate shocks.
d. This report is based on the MDBs' methodology for tracking adaptation finance as described in Annex C.2. In November 2022, the MDBs released the updated Joint Methodology for Tracking Adaptation Finance.[10] The updated methodology reflects the evolving understanding of change adaptation and resilience activities, and the advances made in the fields of adaptation finance.

10 https://www.eib.org/en/publications/20220242-mdbs-joint-methodology-for-tracking-climate-change-adaptation-finance

1.2 FINANCE FOR THE MITIGATION OF CLIMATE CHANGE

Climate change mitigation reduces, avoids, limits or sequesters greenhouse gas emissions to mitigate climate change. However, not all activities that reduce greenhouse gas emissions are eligible to be counted towards MDB mitigation finance, which is calculated based on a list of activities that are compatible with low-emission pathways.

Within the MDB/IDFC "Common Principles for Climate Mitigation Finance Tracking"[11] methodology, an activity can be classified as climate change mitigation where the activity, by avoiding or reducing greenhouse gas emissions or increasing their sequestration, contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement.

The common principles recognise that a substantial contribution to climate change mitigation can involve the following three categories of climate change mitigation activities:

1. Negative or very low-emission activities, which result in negative, zero or very low greenhouse gas emissions and are fully consistent with the long-term temperature goal of the Paris Agreement, for example carbon sequestration in land use or some forms of renewable energy.
2. Transitional activities, which are still part of greenhouse gas emissions/emissive systems, but are important for and contribute to the transition towards a climate-neutral economy, such as energy efficiency improvement in manufacturing that directly or indirectly uses fossil fuels.
3. Enabling activities, which are instrumental in enabling other activities to make a substantial contribution to climate change mitigation, such as the manufacture of very low-emission technologies.

Annex C.3 contains an excerpt of the mitigation methodology (with the full description being available within the MDB/IDFC "*Common Principles for Climate Mitigation Finance Tracking*").

There are fundamental differences between the tracking methodologies for climate change adaptation activities and those for mitigation activities. For mitigation activities, a one-tonne reduction in carbon dioxide (CO_2) emissions has the same impact regardless of where the activities take place. It is therefore possible to define lists of typical activities that are deemed to support the path to low-carbon development. However, adaptation activities are project- and location-specific, and they respond to specific climate vulnerabilities. Therefore, unlike mitigation activities, it is not possible to produce a standalone "list of adaptation activities" that can be used under all circumstances.

When comparing climate finance data, it is important to understand the differences and similarities. Table 1a summarises the key points in this regard. Annexes C.2 and C.3 contain examples of the adaptation and mitigation methodologies' application in various sectors and project types. Box 1 provides information on an update to the methodology for tracking adaptation finance, agreed by all MDBs and launched at COP27. This updated version of the methodology has been used by most of the MDBs for 2023 reporting.

11 See footnote 9.

Table 1a. Comparison of methodologies for tracking adaptation and mitigation finance

	CLIMATE CHANGE ACTIVITY	
Item	**Adaptation**	**Mitigation**
General scope of qualifying activity	The activity is typically a component or element of a project, and in certain circumstances an entire project, contributing to resilience (including socioeconomic resilience) or adaptation to climate change.	This is typically a project (or component thereof) that avoids, reduces or sequesters greenhouse gas emissions, or promotes efforts to achieve these goals.
Basis for tracking	Adaptation finance tracking is incremental (component-based); it only takes into account those activities that specifically address vulnerability to climate change. Eligible components are usually parts of a larger project, for example, water-saving equipment that is part of a larger capital expenditure investment in an area vulnerable to increased risk of drought.	Mitigation finance tracking is either project- or component-based. *Project-based:* If the whole project is considered to be a mitigation activity, for example, a typical renewable energy project or a project dedicated to improving the energy efficiency of an existing facility, then 100% of the project investment is considered to be mitigation finance, where applicable criteria are met. *Component-based:* Within a project, if only a component of that project is a mitigation activity, such as installation of energy-efficient equipment that is part of a larger capital expenditure investment, then the respective fraction of the project is considered to be mitigation finance.
Granular approach to finance tracking	The adaptation finance methodology intends to capture only the value of those activities within the project that are aimed at addressing specific climate vulnerabilities. It is not intended to capture the value of the entire project that is made more climate-resilient as a consequence of specific adaptation activities within the project.	A granular approach is used. Climate finance methodology intends to capture only the value of the project or its components that substantially contribute to climate change mitigation, demonstrated using applicable metrics (such as emission or energy intensity) subject to the requirements specified in the eligible list of activities.
Scale of impact	Local, regional, national or global.	Global.
Indicator(s) to quantify and compare project outcomes	Multiple (project- and context-specific) indicators are needed; the intended outcomes depend on the nature of the project.	Ultimately, the impact of all mitigation projects can be assessed on the basis of their direct greenhouse gas emissions reductions (such as implementation of energy-efficient equipment in a building) or indirect greenhouse gas emissions reductions (such as manufacture of electric vehicles that enables reduction of emissions through substitution of internal combustion engine vehicles in the market).
Qualification for climate finance	Qualification is based on a three-step assessment process, taking into account the climate change vulnerability context and the specific project intent to reduce climate vulnerabilities.	Qualification is based on a list of eligible activities with associated screening criteria that enable assessment for qualification for climate mitigation finance. Overarching criteria also apply. See Annex C.3 for further details.
Climate finance tracking	Following the three-step assessment process, a share of those project components that are clearly and directly linked to the climate vulnerability context and contribute to climate change resilience is classified as climate change adaptation finance.	Financing of the eligible project activities is classified as climate change mitigation finance where associated criteria are met.

Box 1. Updated joint MDB methodology for tracking adaptation finance

Between 2021 and 2022, the MDBs carried out a review of the joint MDB methodology for tracking adaptation finance. The review built on collective experiences of applying the methodology over the preceding decade. It aimed to better characterise adaptation activities for the purpose of tracking adaptation finance, and to provide guidance on the application of the joint methodology in a broader range of financing instruments.

The outcome was an update to the methodology[12] that reflected the evolving understanding of adaptation and climate resilience and advances made in the field of adaptation finance. These developments include the following:

a. Adaptation is no longer viewed purely as an add-on to development investments, but rather as an imperative for putting development on the path to resilience. As a result, adaptation support has expanded from traditional infrastructure sectors to a wider range of sectors, such as education, health, social protection, financial services, and research and innovation for adaptation solutions.

b. Financing procedures supporting adaptation have broadened from the typical investment loans and programmes to other financial instruments, including policy-based loans, working capital and credit lines.

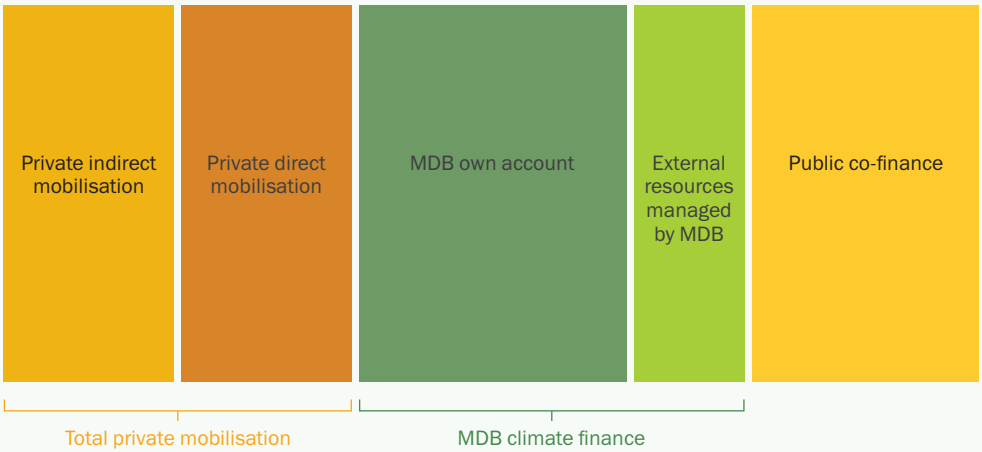
c. Relevant advances concerning green and sustainable finance have emerged in recent years, notably the EU taxonomy for sustainable finance and impact reporting for green bonds, introducing new concepts and approaches for better defining, reporting and monitoring adaptation activities, including private investment in adaptation.

1.3 METHODOLOGY FOR CLIMATE CO-FINANCE

In 2015 the multilateral development banks began reporting on climate co-finance (CCF) flows in line with the harmonised definitions and indicators that had been established to estimate them. Tracking of climate co-finance aims to estimate the volume of financial resources invested by public and private external parties alongside multilateral development banks' financing for climate mitigation and adaptation activities.

This approach presents sources of climate co-finance in the following categories: (i) other multilateral development banks; (ii) IDFC member institutions, including bilateral and multilateral members; (iii) other international public entities such as donor governments; (iv) contributions from other domestic public entities such as recipient country governments (for example, financing by local counterparts); and (v) all private entities (defined as those with at least 50% of their shares held privately), split into private direct mobilisation and private indirect mobilisation. This level of granularity enables multilateral development banks to present an increasingly nuanced picture of co-finance flows used for climate change interventions.

Figure 2. Total activity financing, by type of finance



12 See footnote 10.

In April 2015 the multilateral development banks first published a reference guide (From Billions to Trillions: Transforming Development Finance)[13] to explain how they calculate and jointly report private investment mobilisation beyond climate finance. The purpose of the methodology is to recognise and measure the private capital mobilised in MDB project activities. The guide outlines the banks' joint commitment to mobilising increased investment from the private sector and institutional investors. Total financing of climate activity includes climate co-finance, that is, the amount of financial resources that external entities contribute.

The multilateral development banks are implementing the definitions and recommendations of the MDB Taskforce on Private Investment Mobilisation for tracking the private share of climate co-finance. This methodology focuses on assessing the private finance mobilised by an MDB, on a project-by-project basis, such as private direct mobilisation and private indirect mobilisation.[14] The 2023 *Joint Report on MDBs' Climate Finance* follows the agreed terminology[15] and Chapters 2.4, 3.4 and Annex A.4 show two different elements of private finance mobilisation: "private direct mobilisation" and "private indirect mobilisation." Added together, these two forms of mobilisation represent the private share of climate co-finance.

13 https://thedocs.worldbank.org/en/doc/622841485963735448-0270022017/original/DC20150002EFinancingforDevelopment.pdf

14 See footnote 13.

15 See Annex C.1 for definitions of "private direct mobilisation", "private indirect mobilisation" and "public direct mobilisation."

2

MDB CLIMATE FINANCE IN LOW– AND MIDDLE-INCOME ECONOMIES

2.1 MDB CLIMATE FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES

In 2023, multilateral development banks committed $74.7 billion to low-income and middle-income economies, thus surpassing the annual expectation of $50 billion set in the joint MDB High Level Statement of 2019. Of the $74.7 billion of climate finance committed to low-income and middle-income economies, $70.6 billion was from the MDBs' own account and $4.1 billion in external resources was channelled through MDBs. Mitigation finance committed to low- and middle-income economies totalled $50 billion, or 67%, while adaptation finance totalled $24.7 billion, or 33%.

Sources of MDB climate finance are split between the multilateral development banks' own accounts and the external resources channelled through and managed by them. External resources include trust-funded operations, such as those funded by bilateral agencies and dedicated climate finance funds such as the Climate Investment Funds (CIF), Green Climate Fund (GCF) and climate-related funds under the Global Environment Facility (GEF), EU blending facilities and others. As bilateral reporting may already cover some external resources, those managed by the MDBs are presented separately from the multilateral development banks' own accounts.

Table 2. MDB climate finance by MDB and source of funds in low- and middle-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
Own account	5 009	9 863	3 230	10	4 070	3 349	5 630	2 048	1 107	36 266	70 583
MDB-managed external resources	829	882	-	-	533	614	240	-	-	1 018	4 103*
MDB climate finance	**5 838**	**10 745**	**3 230**	**10**	**4 604**	**3 963**	**5 870**	**2 048**	**1 107**	**37 284**	**74 686***

Notes:
1. "MDB climate finance" refers to the sum of the climate finance from the MDBs' own accounts and the MDB-managed external resources.
2. For IsDB, the reported commitment excludes operations of IsDB Group members, including the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC).
3. (*) See footnote 1 for Figures 1a and 1b.

Table 3. MDB climate finance by MDB and by scope in low- and middle-income economies, 2023 (in $ million)

MDB	Adaptation finance	Mitigation finance	MDB climate finance
AfDB	3 042	2 796	5 838
ADB	4 577	6 168	10 745
AIIB	340	2 890	3 230
CEB	-	10	10
EBRD	603	4 001	4 604
EIB	737	3 226	3 963
IDBG	1 751	4 118	5 870
IDB	*1 466*	*3 296*	*4 762*
IDB Invest	*277*	*808*	*1 085*
IDB Lab	*8*	*14*	*23*
IsDB	622	1 426	2 048
NDB	493	614	1 107
WBG	12 538	24 746	37 284
IBRD/IDA	*12 345*	*17 343*	*29 688*
IFC	*132*	*5 932*	*6 065*
MIGA	*60*	*1 471*	*1 531*
Total	**24 691***	**49 995**	**74 686***

Notes:

1. In certain cases, MDBs finance activities that have simultaneous benefits for mitigation and adaptation. The 2023 figure of $3 261 million of climate finance with dual benefits in low- and middle-income economies is presented under the subheading of mitigation or adaptation finance (based on the most relevant elements of the project) to simplify reporting (See Annex C.4). AfDB reported $999 million, AIIB reported $10 million, EBRD reported $364 million, IDBG reported $1 246 million, and IsDB reported $308 million as dual-benefit projects. Note that the AfDB, the IDBG and the IsDB split dual-benefit finance equally between adaptation and mitigation categories, while the AIIB and the EBRD allocate all dual-benefit activities to adaptation finance. See Annex C.4 for further details.
2. (*) See footnote 1 for Figures 1a and 1b.

2.1.1 MDB CLIMATE FINANCE BY TYPE OF RECIPIENT OR BORROWER IN LOW- AND MIDDLE-INCOME ECONOMIES

The multilateral development banks report on the nature of the first recipients or borrowers of their climate finance (those to which finance will flow directly from the MDBs), differentiating between public and private recipients or borrowers. Total commitment varies significantly between the MDBs' own accounts and MDB-managed external resources, as Table 4 illustrates. Table 5 shows the split by type of recipient or borrower for the banks' own accounts and for MDB-managed external resources.

Table 4. MDB climate finance by source of funds and by type of recipient or borrower in low- and middle-income economies, 2023 (in $ million)

Type of recipient or borrower	MDB own account	MDB-managed external resources
Public recipient/borrower	55 944	3 086*
Private recipient/borrower	14 639	1 016
Total	**70 583**	**4 103***

(*) See footnote 1 for Figures 1a and 1b.

Table 5. MDB climate finance by MDB and by type of recipient or borrower in low- and middle-income economies, 2023 (in $ million)

MDB	Private	Public
AfDB	1 056	4 782
ADB	1 246	9 499
AIIB	1 085	2 145
CEB	0	10
EBRD	3 073	1 530
EIB	415	3 547
IDBG	1 107	4 762
IDB	*-*	*4 762*
IDB Invest	*1 085*	*-*
IDB Lab	*23*	*-*
IsDB	76	1 972
NDB	0	1 107
WBG	7 596	29 688
IBRD/IDA	*-*	*29 688*
IFC	*6 065*	*-*
MIGA	*1 531*	*-*
Total	**15 655**	**59 030***

(*) See footnote 1 for Figures 1a and 1b.

2.1.2 MDB CLIMATE FINANCE BY TYPE OF INSTRUMENT IN LOW- AND MIDDLE-INCOME ECONOMIES

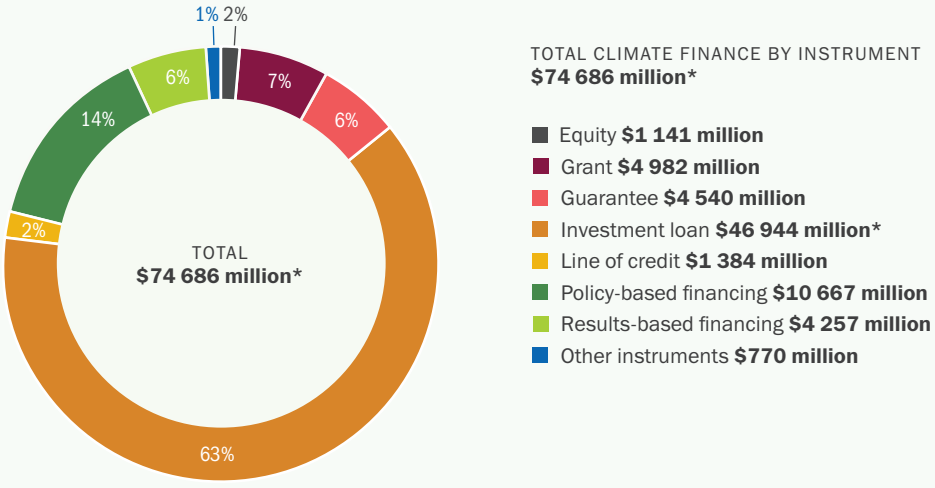
For the eighth consecutive year, the multilateral development banks reported climate finance by the types of financial instrument (see Annex C.5 for definitions). They reported that 63% of climate finance for low- and middle-income economies was committed through investment loans, followed by policy-based financing (14%) and grants (7%). Illustrative examples of the various types of instrument are presented in tables in Annex C.5.

Table 6. MDB climate finance by type of instrument in low- and middle-income economies, 2023 (in $ million)

Instrument type	Climate finance
Equity	1 141
Grant	4 982
Guarantee	4 540
Investment loan	46 944*
Line of credit	1 384
Policy-based financing	10 667
Results-based financing	4 257
Other instruments	770
Total	**74 686***

Notes:
1. Annex C.5 defines the various types of instrument.
2. Other instruments include advisory services and bonds. Some MDBs report eligible bonds under the category of investment loans.
3. (*) See footnote 1 for Figures 1a and 1b.

Figure 3. MDB climate finance by type of instrument in low- and middle-income economies, 2023 (in $ million)



(*) See footnote 1 for Figures 1a and 1b.

2.1.3 MDB CLIMATE FINANCE BY REGION IN LOW- AND MIDDLE-INCOME ECONOMIES

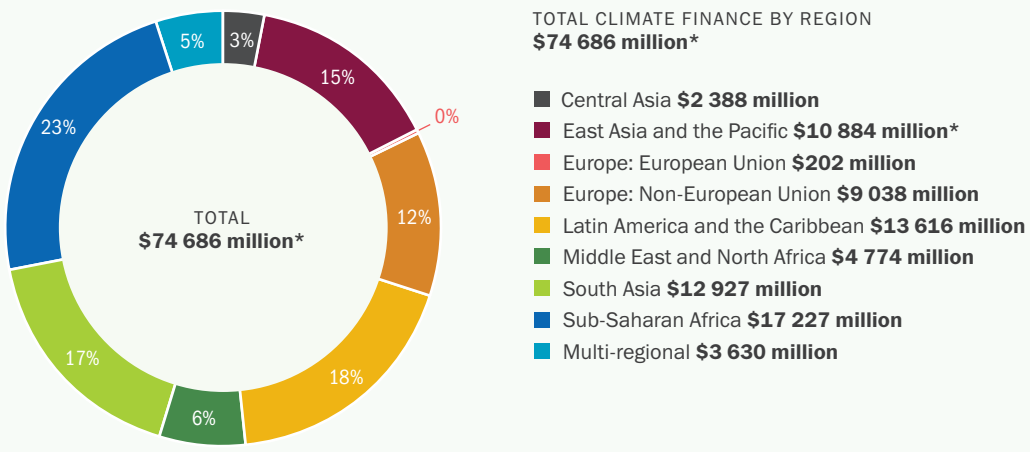
Multilateral development banks' climate finance commitments grouped by region.[16]

Table 7. MDB climate finance by region in low- and middle-income economies, 2023 (in $ million)

Region	Climate finance
Central Asia	2 388
East Asia and the Pacific	10 884*
Europe: European Union	202
Europe: Non-European Union	9 038
Latin America and the Caribbean	13 616
Middle East and North Africa	4 774
South Asia	12 927
Sub-Saharan Africa	17 227
Multi-regional	3 630
Total	**74 686***

(*) See footnote 1 for Figures 1a and 1b.

Figure 4. MDB climate finance by region in low- and middle-income economies, 2023 (in US $ million)



(*) See footnote 1 for Figures 1a and 1b.

16 See Tables B.1 and B.2 for regional groupings.

2.2 MDB ADAPTATION FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES

In 2023 a total of $27.7 billion was committed for climate change adaptation finance, with $24.7 billion, or 89%, committed to low- and middle-income economies, thus surpassing their expected collective delivery of increasing adaptation finance to $18 billion, set in the joint MDB High Level Statement of 2019. The data reported correspond to the incremental costs of project components, sub-components, elements or proportions of projects, which are considered to be inputs to an adaptation process and are intended to reduce vulnerability to climate change and build resilience to it.

Table 8 presents the 2023 adaptation figures by bank for low- and middle-income economies, with a breakdown of climate adaptation finance committed by the multilateral development banks from their own accounts and from MDB-managed external resources in low- and middle-income economies.

Table 8. MDB adaptation finance by MDB according to source of funds in low- and middle-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
MDB own account	2 657	4 311	340	-	360	674	1 689	622	493	12 046	23 193
MDB-managed external resources	384	266	-	-	243	63	62	-	-	492	1 497*
Total	**3 042**	**4 577**	**340**	**-**	**603**	**737**	**1 751**	**622**	**493**	**12 538**	**24 691***

(*) See footnote 1 for Figures 1a and 1b.

Table 9 shows a breakdown by type of recipient or borrower.

Table 9. MDB adaptation finance by MDB and by type of recipient or borrower in low- and middle-income economies, 2023 (in $ million)

MDB	Private	Public
AfDB	614	2 428
ADB	88	4 489*
AIIB	45	295
CEB	-	-
EBRD	292	311
EIB	18	719
IDBG	285	1 466
IDB	*-*	*1 466*
IDB Invest	*277*	*-*
IDB Lab	*8*	*-*
IsDB	75	547
NDB	0	493
WBG	193	12 345
IBRD/IDA	*-*	*12 345*
IFC	*132*	*-*
MIGA	*60*	*-*
Total	**1 610**	**23 080***

(*) See footnote 1 for Figures 1a and 1b.

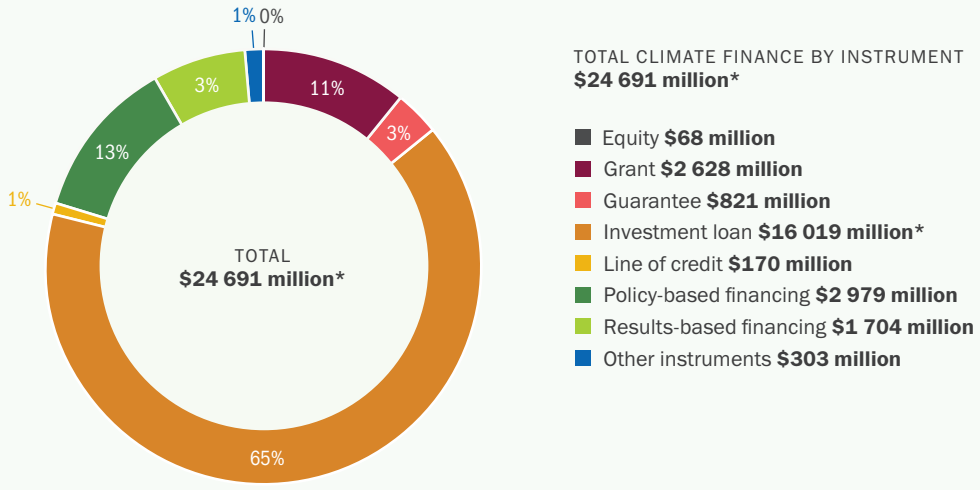
Table 10 breaks down MDB adaptation finance by type of instrument. The multilateral development banks reported that the majority (65%) of adaptation finance for low- and middle-income economies was committed through investment loans, followed by policy-based financing (12%) and grants (11%).

Table 10. MDB adaptation finance by type of instrument in low- and middle-income economies, 2023 (in $ million)

Instrument type	Adaptation finance
Equity	68
Grant	2 628
Guarantee	821
Investment loan	16 019*
Line of credit	170
Policy-based financing	2 979
Results-based financing	1 704
Other instruments	303
Total	**24 691***

(*) See footnote 1 for Figures 1a and 1b.

Figure 5. MDB adaptation finance by type of instrument in low- and middle-income economies, 2023 (in $ million)



(*) See footnote 1 for Figures 1a and 1b.

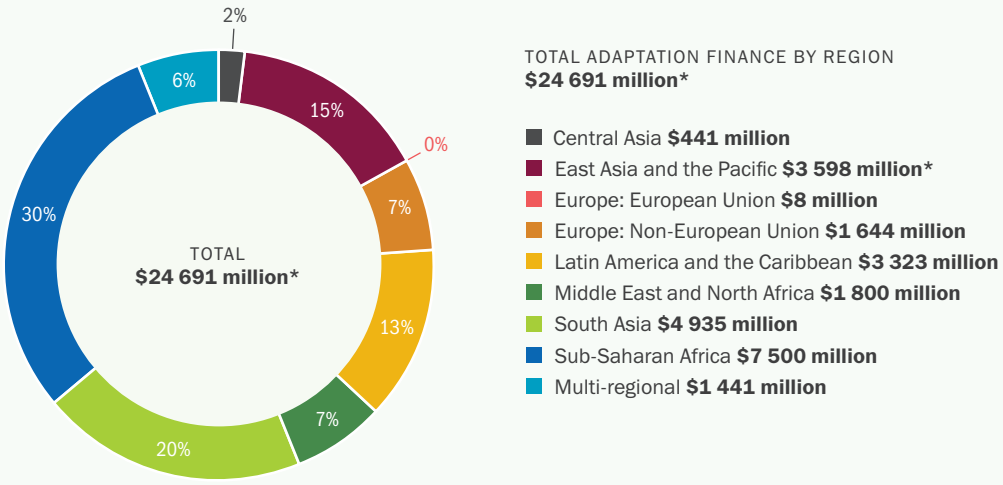
Table 11 shows total adaptation finance by region. The largest proportions of adaptation finance in low- and middle-income economies were in the following regions: Sub-Saharan Africa, South Asia and East Asia and the Pacific.

Table 11. MDB adaptation finance by region in low- and middle-income economies, 2023 (in $ million)

Region	Adaptation finance
Central Asia	441
East Asia and the Pacific	3 598*
Europe: European Union	8
Europe: Non-European Union	1 644
Latin America and the Caribbean	3 323
Middle East and North Africa	1 800
South Asia	4 935
Sub-Saharan Africa	7 500
Multi-regional	1 441
Total	**24 691***

(*) See footnote 1 for Figures 1a and 1b.

Figure 6. MDB adaptation finance by region in low- and middle-income economies, 2023 (in $ million)



(*) See footnote 1 for Figures 1a and 1b.

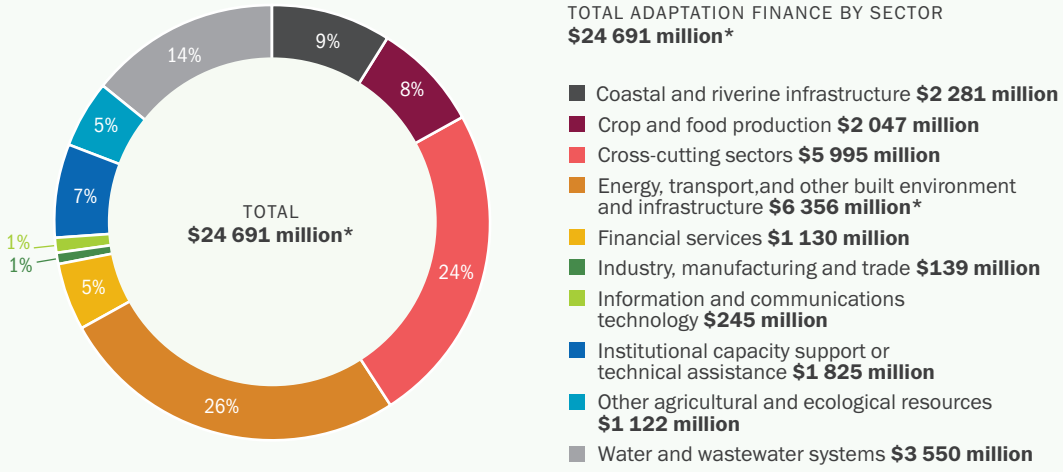
Table 12 reports MDB adaptation finance by sector, with 26% in Energy, transport and other built environment and infrastructure, followed by Cross-cutting operations with 24%, and 14% in Water and wastewater systems.

Table 12. MDB adaptation finance by sector in low- and middle-income economies, 2023 (in $ million)

Sector group	Adaptation finance
Coastal and riverine infrastructure	2 281
Crop and food production	2 047
Cross-cutting sectors	5 995
Energy, transport, and other built environment and infrastructure	6 356*
Financial services	1 130
Industry, manufacturing and trade	139
Information and communications technology	245
Institutional capacity support or technical assistance	1 825
Other agricultural and ecological resources	1 122
Water and wastewater systems	3 550
Total	**24 691***

(*) See footnote 1 for Figures 1a and 1b.

Figure 7. MDB adaptation finance by sector in low- and middle-income economies, 2023 (in $ million)



(*) See footnote 1 for Figures 1a and 1b.

Adaptation finance by region, for low- and middle-income economies, with a further breakdown by sector, is presented in Table 13.

Table 13. MDB adaptation finance by sector and region in low- and middle-income economies, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Coastal and riverine infrastructure	-	854	-	13	209	-	600	512	92	2 281
Crop and food production	23	149	1	115	101	379	251	726	303	2 047
Cross-cutting sectors	48	614	0	288	890	210	1 128	2 379	438	5 995
Energy, transport and other built environment and infrastructure	213	1 101*	7	740	774	182	1 559	1 718	75	6 369*
Financial services	80	144	-	17	157	186	65	457	23	1 130
Industry, manufacturing and trade	2	7	-	10	16	9	-	72	24	139
Information and communications technology	-	16	-	-	8	4	24	181	13	245
Institutional capacity support or technical assistance	19	326	-	29	369	208	283	467	123	1 825
Other agricultural and ecological resources	15	201	-	149	422	23	180	122	8	1 122
Water and wastewater systems	41	199	-	283	378	597	844	866	342	3 550
Total	**441**	**3 598***	**8**	**1 644**	**3 323**	**1 800**	**4 935**	**7 500**	**1 441**	**24 691***

(*) See footnote 1 for Figures 1a and 1b.

2.3 MDB MITIGATION FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES

In 2023, the multilateral development banks reported a total of $97.2 billion in financial commitments for the mitigation of climate change, with $50 billion, or 51%, committed to low-income and middle-income economies. Data reported correspond to the financing of mitigation projects or of those components, sub-components, elements or proportions of projects that provide mitigation benefits (rather than reporting the entire project cost).

Table 14 provides a breakdown of climate mitigation finance committed by the multilateral development banks during 2023 from MDB own-account and external resources in low- and middle-income economies.

Table 14. MDB mitigation finance by MDB, according to source of funds in low- and middle-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
MDB own account	2 352	5 552	2 890	10	3 710	2 675	3 941	1 426	614	24 220	47 390
MDB-managed external resources	444	616	-	-	291	550	178	-	-	526	2 605
Total	**2 796**	**6 168**	**2 890**	**10**	**4 001**	**3 226**	**4 118**	**1 426**	**614**	**24 746**	**49 995**

(*) See footnote 1 for Figures 1a and 1b.

Table 15 shows a breakdown by type of recipient or borrower.

Table 15. MDB mitigation finance by MDB and by type of recipient or borrower in low- and middle-income, 2023 (in $ million)

MDB	Private	Public
AfDB	442	2 355
ADB	1 158	5 010
AIIB	1 040	1 850
CEB	-	10
EBRD	2 781	1 219
EIB	397	2 828
IDBG	822	3 296
IDB	*-*	*3 296*
IDB Invest	*808*	*-*
IDB Lab	*14*	*-*
IsDB	1	1 425
NDB	-	614
WBG	7 403	17 343
IBRD/IDA	*-*	*17 343*
IFC	*5 932*	*-*
MIGA	*1 471*	*-*
Total	**14 045**	**35 950**

(*) See footnote 1 for Figures 1a and 1b.

Table 16 breaks down MDB mitigation finance by type of instrument. The multilateral development banks reported that 62% of total mitigation finance for low- and middle-income economies was committed through investment loans, followed by policy-based financing, with a share of 15%.

Table 16. MDB mitigation finance by type of instrument in low- and middle-income economies, 2023 (in $ million)

Instrument type	Mitigation finance
Equity	1 074
Grant	2 354
Guarantee	3 719
Investment loan	30 926
Line of credit	1 214
Policy-based financing	7 688
Results-based financing	2 553
Other instruments	467
Total	**49 995**

Figure 8. MDB mitigation finance by type of instrument in low- and middle-income economies, 2023 (in $ million)

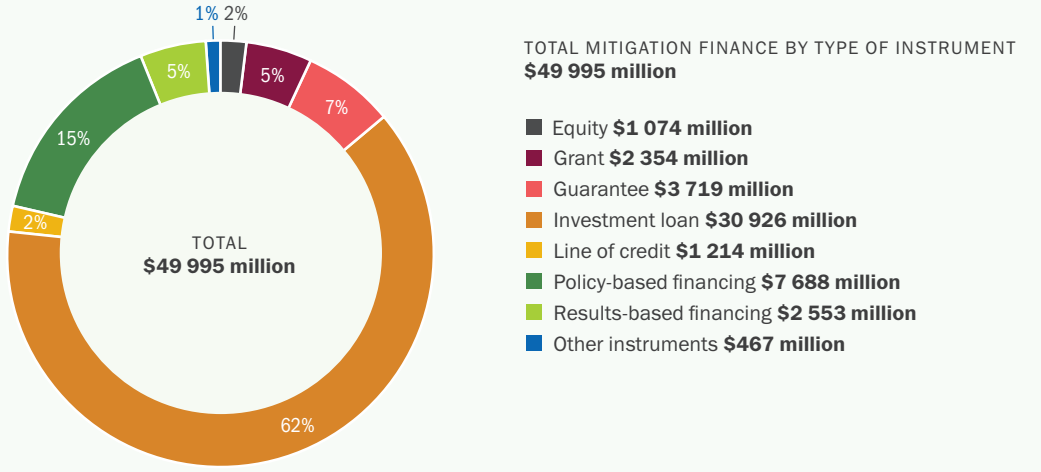


Table 17 shows total mitigation finance by region. The largest proportions of mitigation finance in low- and middle- income economies were in the following regions: Latin America and the Caribbean (21%), Sub-Saharan Africa (19%), and South Asia (16%).

Table 17. MDB mitigation finance by region in low- and middle-income economies, 2023 (in $ million)

Region	Mitigation finance
Central Asia	1 947
East Asia and the Pacific	7 286
Europe: European Union	194
Europe: Non-European Union	7 395
Latin America and the Caribbean	10 292
Middle East and North Africa	2 974
South Asia	7 992
Sub-Saharan Africa	9 727
Multi-regional	2 189
Total	**49 995**

Figure 9. MDB mitigation finance by region in low- and middle-income economies, 2023 (in $ million)

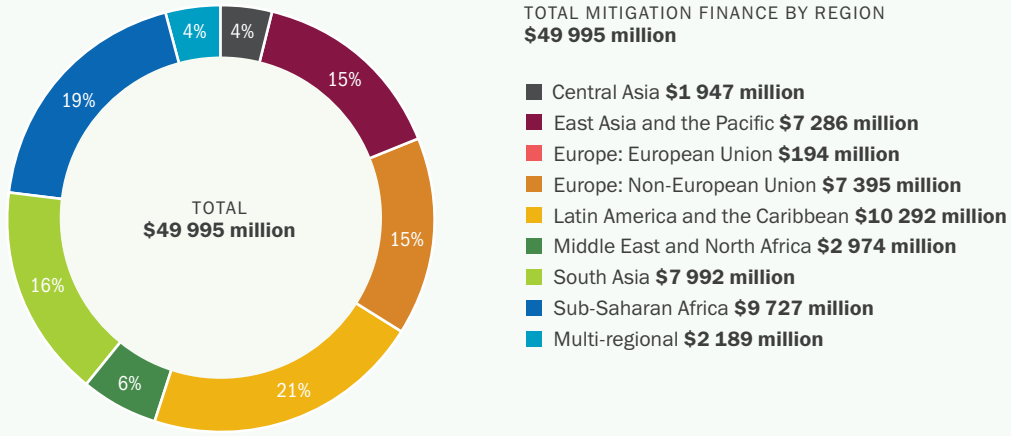
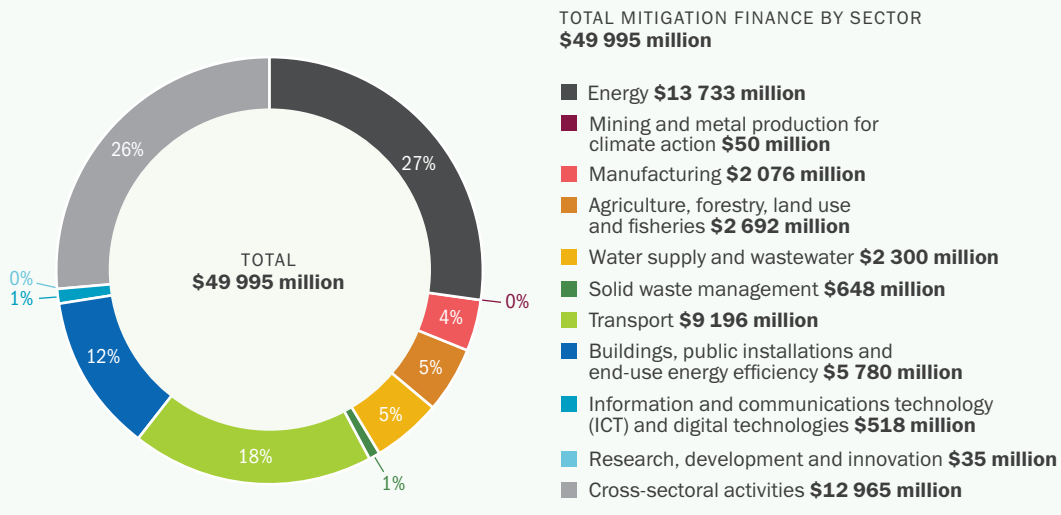


Table 18 reports the multilateral development banks' mitigation finance in low- and middle-income economies by sector with 27% in Energy, followed by Cross-sectoral activities with 26%, and Transport with 18%.

Table 18. MDB mitigation finance by sector in low- and middle-income economies, 2023 (in $ million)

Sector group	Mitigation finance
Energy	13 733
Mining and metal production for climate action	50
Manufacturing	2 076
Agriculture, forestry, land use and fisheries	2 692
Water supply and wastewater	2 300
Solid waste management	648
Transport	9 196
Buildings, public installations and end-use energy efficiency	5 780
Information and communications technology (ICT) and digital technologies	518
Research, development and innovation	35
Cross-sectoral activities	12 965
Total	**49 995**

Figure 10. MDB mitigation finance by sector in low- and middle-income economies, 2023 (in $ million)



Mitigation finance by region, with further breakdown by sectors, is presented in Table 19.

Table 19. MDB mitigation finance by sector and by region in low- and middle-income economies, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Energy	1 324	1 767	124	1 714	2 029	670	1 906	3 599	600	13 733
Mining and metal production for climate action	-	-	-	-	50	-	-	-	0	50
Manufacturing	93	69	-	1 192	157	228	82	223	32	2 076
Agriculture, forestry, land use and fisheries	23	564	-	200	433	122	390	723	238	2 692
Water supply and waste-water	162	118	-	201	801	166	405	435	11	2 300
Solid waste management	0	365	-	54	83	27	78	21	19	648
Transport	70	1 482	56	1 662	739	768	2 427	1 470	522	9 196
Buildings, public installations and end-use energy efficiency	47	1 175	11	951	1 328	334	603	1 080	251	5 780
Information and communi-cations tech-nology (ICT) and digital technologies	47	74	-	7	150	0	17	157	66	518
Research, development and innovation	-	-	-	-	19	-	8	7	1	35
Cross-sectoral activities	181	1 671	4	1 413	4 502	659	2 075	2 011	48	12 965
Total	**1 947**	**7 286**	**194**	**7 395**	**10 292**	**2 974**	**7 992**	**9 727**	**2 189**	**49 995**

(*) See footnote 1 for Figures 1a and 1b.

2.4 CLIMATE CO-FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES

The multilateral development banks' climate co-finance is based on their harmonised definitions which can be consulted in Section 1.3.

Table 20 shows 2023 climate co-finance flows as reported by each institution, segmented by the source of co-financing. These CCF figures are the best estimate of resource flows based on information available at the time of board approval and/or commitment to each project. In some cases, two or more banks jointly finance a project, which results in some overlap between the gross co-finance figures reported by the different organisations. Table 21 shows climate co-finance flows by adaptation and mitigation for low- and middle-income economies. In order to avoid double-counting, the last column of Tables 21 and 22 nets out potentially double-counted co-financing by considering only the proportion of co-financing for every project that features co-financing from another MDB.

In the reference guide, the multilateral development banks emphasise the differences in how various financial instruments, including guarantees, are tracked and reported. By mitigating the political and commercial risks of private and publicly-owned investments, guarantees can facilitate access to capital for climate finance activities. This can enhance the mobilisation of resources for a specific project or in support of specific government policies.

For consistency with the agreed MDB methodology on tracking and reporting mobilised private capital, the tracking and reporting of guarantees as detailed in this report assumes: (i) a distinction in tracking and reporting between "commercial guarantees" and "non-commercial guarantees";[17] and (ii) causality between the guarantee and the underlying investment covered (in other words, in the absence of the guarantee, the underlying investment would be unlikely to occur). For this reason, the gross exposure from the guarantee issuance and the underlying investment may be reported separately under banks' own account and private co-finance, while the best effort is made to minimise double-counting.

Table 21 reflects the 2023 CCF flows, including the direct and indirect mobilisation attributed to guarantees. The guarantee exposure of each MDB has been shown as "own account" in Tables 2, 22, 28 and 49.

Table 20. Climate co-finance flows by MDB and by thematic focus in low- and middle-income economies, 2023 (in $ million)

							IDBG					WBG				
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDB	IDB Invest	IDB Lab	IsDB	NDB	IBRD/ IDA	IFC	MIGA	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Mitigation finance	3 252	7 342	2 193	30	3 456	5 413	513	2 413	28	3 731	2 359	10 270	15 597	2 302	58 900	**50 069**
Adaptation finance	3 405	4 621	3 322	-	1 300	891	162	1 626	6	374	619	4 116	333	69	20 844	**18 700**
Total	**6 656**	**11 963**	**5 515**	**30**	**4 756**	**6 304**		**4 750**		**4 104**	**2 978**		**32 687**		**79 744**	**68 770**

17 In the context of this report, non-commercial risk guarantees are defined as insurance or guarantee instruments covering investors against perceived political risks including, but not limited to, the risks of transfer restriction (including inconvertibility), expropriation, war and civil disturbance, breach of contract, and failure to honour financial obligations, and may provide credit enhancement and improve ratings for capital market transactions. Commercial or credit-risk guarantees refer to instruments covering all other risks not included above.

Table 21. Climate co-finance flows by MDB and by source in low- and middle-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG			IsDB	NDB	WBG			Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
							IDB	IDB Invest	IDB Lab			IBRD/ IDA	IFC	MIGA		
Public direct mobilisation	-	74	4	25	-	8	330	111	8	-	-	10 964	1 629	-	13 152	**13 152**
Public co-finance																
Other MDBs	1 819	2 736	3 290	5	809	865	0	130	-	1 529	1 012	261	976	71	13 504	**13 504**
IDFC members	1 227	2 204	75	-	216	199	101	1 923	0	-	-	78	190	-	6 213	**3 555**
Other international public	2 130	326	217	-	26	307	0	2	3	-	-	104	531	4	3 651	**1 931**
Other domestic public	1 113	4 207	678	-	217	1 342	0	16	2	-	1 582	368	563	3	10 091	**8 076**
Sub-Total	6 290	9 547	4 264	30	1 268	2 721	431	2 182	13	1 529	2 594	11 775	3 890	78	46 612	**40 217**
Total private mobilisation																
Private direct mobilisation	-	263	429	-	482	612	0	773	0	-	-	12	4 411	1 624	8 605	**8 605**
Private indirect mobilisation	366	2 153	821	-	3 006	2 970	245	1 085	22	2 576	384	2 600	7 629	669	24 527	**19 947**
Sub-Total	366	2 417	1 250	-	3 488	3 582	245	1 858	22	2 576	384	2 612	12 040	2 293	33 132	**28 552**
Total	**6 656**	**11 963**	**5 515**	**30**	**4 756**	**6 304**		**4 750**		**4 104**	**2 978**		**32 687**		**79 744**	**68 770**

3

MDB CLIMATE FINANCE IN HIGH-INCOME ECONOMIES

3.1 MDB CLIMATE FINANCE IN HIGH-INCOME ECONOMIES

In 2023, the multilateral development banks committed $50.3 billion to high-income economies. Mitigation finance committed to high-income economies totalled $47.3 billion, while adaptation finance totalled $3 billion.

Table 22 shows MDBs climate finance for high-income economies. Out of the $50.3 billion of climate finance committed to high-income economies, $49.8 billion was from the multilateral development banks own accounts and $0.5 billion from external resources that were channelled through them.

Table 22. MDB climate finance by MDB and source of funds in high-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
Own account	11	1	204	954	2 805	41 826	1 655	50	-	2 330	49 836
MDB-managed external resources	-	0	-	-	55	282	22	-	-	87	446
MDB climate finance	**11**	**1**	**204**	**954**	**2 860**	**42 108**	**1 677**	**50**	**0**	**2 417**	**50 283**

Notes:
1. "MDB climate finance" refers to the sum of the climate finance from the MDBs' own accounts and the MDB-managed external resources.
2. For IsDB, the reported commitment excludes operations of IsDB Group members including the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC).

Table 23 shows the multilateral development banks' climate finance for high-income economies for adaptation and mitigation.

Table 23. MDB climate finance by MDB and by scope in high-income economies, 2023 (in $ million)

MDB	Adaptation finance	Mitigation finance	MDB climate finance
AfDB	11	-	11
ADB	1	0	1
AIIB	1	203	204
CEB	86	868	954
EBRD	17	2 843	2 860
EIB	2 227	39 881	42 108
IDBG	494	1 183	1 677
IDB	*445*	*856*	*1 301*
IDB Invest	*48*	*325*	*373*
IDB Lab	*1*	*2*	*3*
IsDB	-	50	50
NDB	-	-	-
WBG	193	2 224	2 417
IBRD/IDA	*171*	*682*	*853*
IFC	*22*	*1 542*	*1 563*
MIGA	-	-	-
Total	**3 030**	**47 253**	**50 283**

Note: In certain cases, MDBs finance activities that have simultaneous benefits for mitigation and adaptation. The 2023 figure of $405 million of climate finance in high-income economies with dual benefits is presented under the subheading of mitigation or adaptation finance (based on the most relevant elements of the project) to simplify reporting (See Annex C.4). For high-income economies, the EBRD reported $8 million and the IDBG reported $326 million as dual-benefit projects. Note that the IDBG splits dual-benefit finance equally between adaptation and mitigation categories, while the EBRD allocates all dual-benefit activities to adaptation finance. See Annex C.4 for further details.

3.1.1 MDB CLIMATE FINANCE BY TYPE OF RECIPIENT OR BORROWER IN HIGH-INCOME ECONOMIES

The multilateral development banks report on the nature of the first recipients or borrowers[18] of their climate finance (those to which finance will flow directly from the MDBs), differentiating between public and private recipients or borrowers. Total commitment varies significantly between banks' own accounts and MDB-managed external resources, as Table 24 illustrates. Table 25 shows the split by type of recipient or borrower for the banks' own accounts and for MDB-managed external resources.

Table 24. MDB climate finance by source of funds and by type of recipient or borrower in high-income economies, 2023 (in $ million)

Type of recipient or borrower	MDB own account	MDB-managed external resources
Public recipient/borrower	26 640	229
Private recipient/borrower	23 196	218
Total	**49 836**	**446**

Table 25. MDB climate finance by MDB and by type of recipient or borrower in high-income economies, 2023 (in $ million)

MDB	Private	Public
AfDB	-	11
ADB	0	1
AIIB	204	-
CEB	-	954
EBRD	2 702	158
EIB	18 568	23 540
IDBG	376	1 301
IDB	*-*	*1 301*
IDB Invest	*373*	*-*
IDB Lab	*3*	*-*
IsDB	-	50
NDB	-	-
WBG	1 563	853
IBRD/IDA	*-*	*853*
IFC	*1 563*	*-*
MIGA	*-*	*-*
Total	**23 414**	**26 869**

18 See Annex C.1 for the definitions of public and private recipients or borrowers.

3.1.2 MDB CLIMATE FINANCE BY TYPE OF INSTRUMENT IN HIGH-INCOME ECONOMIES

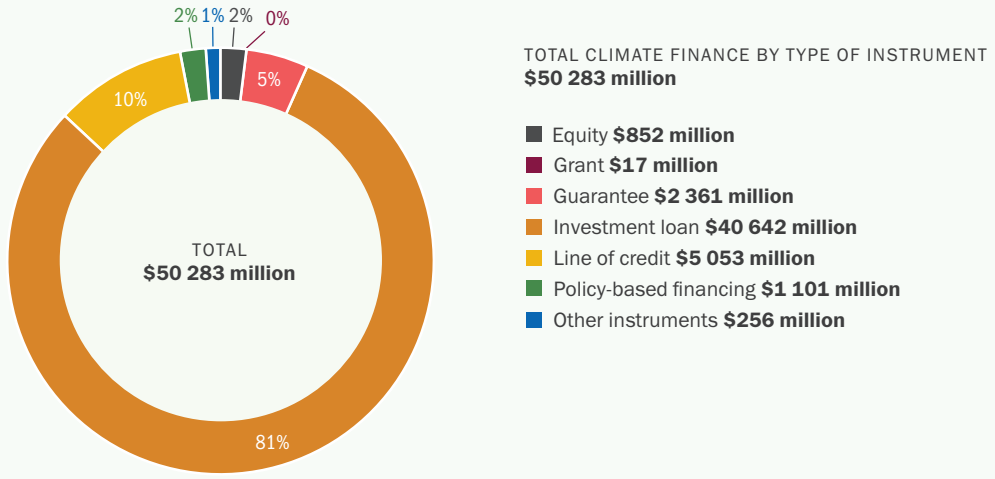
The multilateral development banks reported that 81% of high-income economies' climate finance was committed through investment loans, followed by line of credit, which represents 10%. Illustrative examples of the various types of instrument are presented in tables in Annex C.5.

Table 26. MDB climate finance by type of instrument in high-income economies, 2023 (in $ million)

Instrument type	Climate finance
Equity	852
Grant	17
Guarantee	2 361
Investment loan	40 642
Line of credit	5 053
Policy-based financing	1 101
Results-based financing	-
Other instruments	256
Total	**50 283**

Notes:
1. Annex C.5 defines the various types of instrument.
2. Other instruments include advisory services and bonds. Some MDBs report eligible bonds under the category of investment loans.

Figure 11. MDB climate finance by type of instrument in high-income economies, 2023 (in $ million)



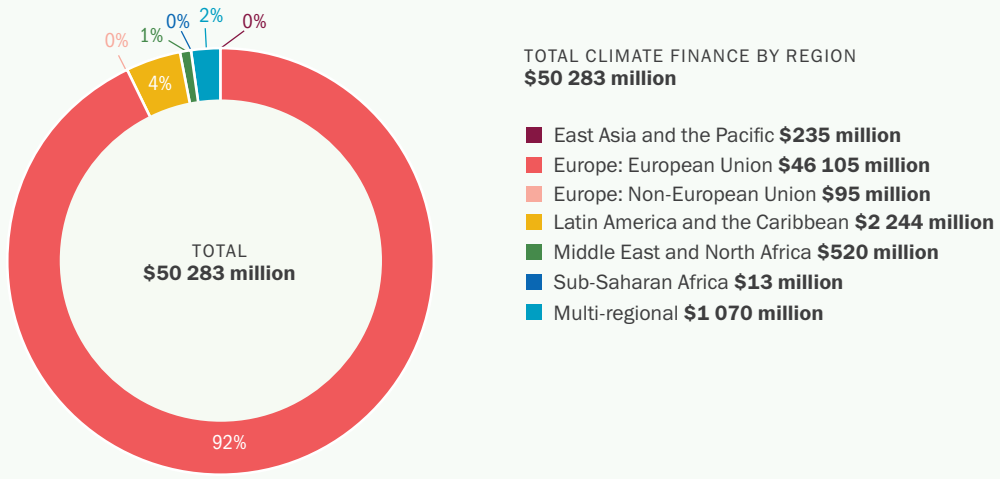
3.1.3 MDB CLIMATE FINANCE BY REGION IN HIGH-INCOME ECONOMIES

Table 27 shows total climate finance by region. The largest proportions of climate finance were in the European Union (92%).

Table 27. MDB climate finance by region in high-income economies 2023 (in $ million)

Region	Climate finance
Central Asia	-
East Asia and the Pacific	235
Europe: European Union	46 105
Europe: Non-European Union	95
Latin America and the Caribbean	2 244
Middle East and North Africa	520
South Asia	-
Sub-Saharan Africa	13
Multi-regional	1 070
Total	**50 283**

Figure 12. MDB climate finance by region, in high-income economies 2023 (in $ million)



3.2 MDB ADAPTATION FINANCE IN HIGH-INCOME ECONOMIES

Of the $27.7 billion committed for adaptation finance, $3 billion, or 11%, was committed to high-income economies.

Table 28 presents the 2023 adaptation figures for the multilateral development banks for high-income economies, with a breakdown of climate adaptation finance committed by the MDBs from their own accounts and from MDB-managed external resources.

Table 28. MDB adaptation finance by MDB according to source of funds in high-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
MDB own account	11	1	1	86	16	2 227	489	-	-	136	2 967
MDB-managed external resources	-	0	-	-	1	-	5	-	-	57	63
Total	**11**	**1**	**1**	**86**	**17**	**2 227**	**494**	**-**	**-**	**193**	**3 030**

Table 29 shows a breakdown by type of recipient or borrower.

Table 29. MDB adaptation finance by MDB and by type of recipient or borrower in high-income economies, 2023 (in $ million)

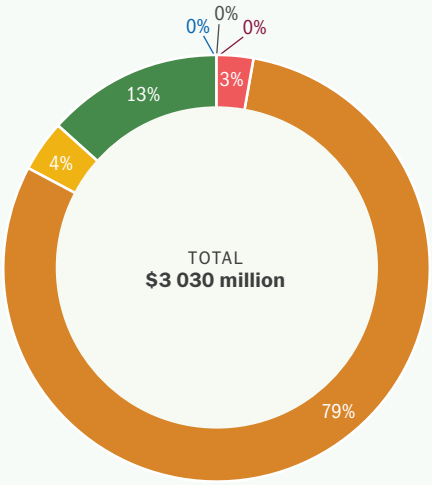
MDB	Private	Public
AfDB	-	11
ADB	-	1
AIIB	1	-
CEB	-	86
EBRD	-	17
EIB	239	1 988
IDBG	49	445
IDB	*-*	*445*
IDB Invest	*48*	*-*
IDB Lab	*1*	*-*
IsDB	-	-
NDB	-	-
WBG	22	171
IBRD/IDA	*-*	*171*
IFC	*22*	*-*
MIGA	*-*	*-*
Total	**311**	**2 719**

Table 30 breaks down MDB adaptation finance by the type of instrument. The multilateral development banks reported that 79% of adaptation finance in high-income economies was committed through investment loans.

Table 30. MDB adaptation finance by MDB and by type of instrument in high-income economies, 2023 (in $ million)

Instrument type	Adaptation finance
Equity	13
Grant	1
Guarantee	87
Investment loan	2 386
Line of credit	131
Policy-based financing	400
Results-based financing	-
Other instruments	12
Total	**3 030**

Figure 13. MDB adaptation finance by type of instrument in high-income economies, 2023 (in $ million)



TOTAL ADAPTATION FINANCE BY TYPE OF INSTRUMENT
$3 030 million

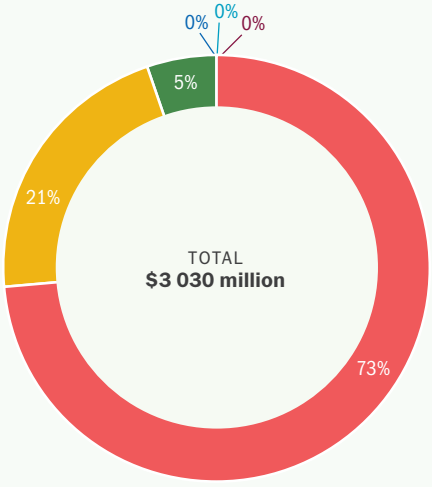
- Equity **$13 million**
- Grant **$1 million**
- Guarantee **$87 million**
- Investment loan **$2 386 million**
- Line of credit **$131 million**
- Policy-based financing **$400 million**
- Other instruments **$12 million**

Table 31 shows total adaptation finance in high-income economies by region. The largest proportions of adaptation finance were in the European Union (73%) and Latin America and the Caribbean (21%).

Table 31. MDB adaptation finance by region in high-income economies, 2023 (in $ million)

Region	Adaptation finance
Central Asia	-
East Asia and the Pacific	0
Europe: European Union	2 209
Europe: Non-European Union	-
Latin America and the Caribbean	632
Middle East and North Africa	161
South Asia	-
Sub-Saharan Africa	13
Multi-regional	14
Total	**3 030**

Figure 14. MDB adaptation finance by region in high-income economies, 2023 (in $ million)



TOTAL ADAPTATION FINANCE IN BY REGION
$3 030 million

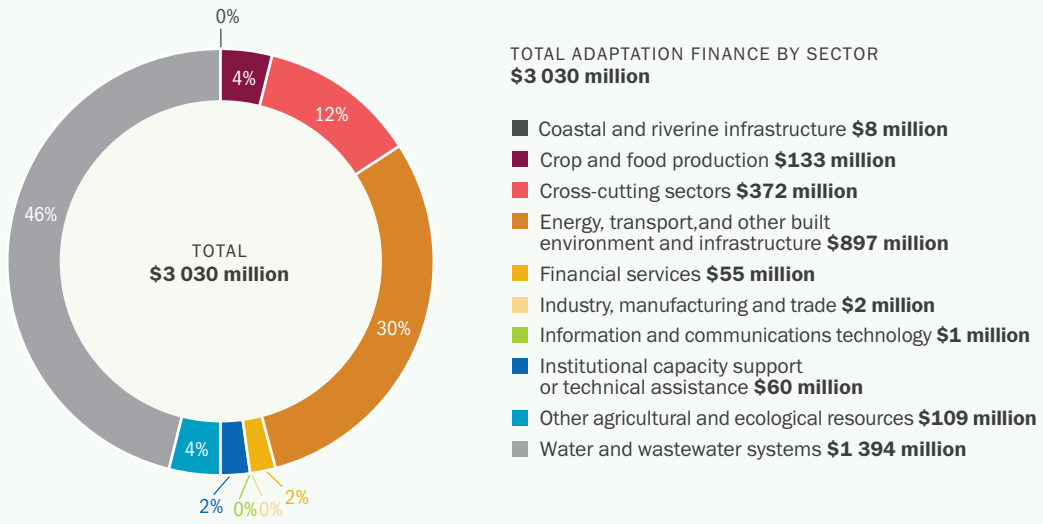
- East Asia and the Pacific **$0.489 million**
- Europe: European Union **$2 209 million**
- Latin America and the Caribbean **$632 million**
- Middle East and North Africa **$161 million**
- Sub-Saharan Africa **$13 million**
- Multi-regional **$14 million**

Table 32 reports MDB adaptation finance for high-income economies by sector, with a share of 46% in water and wastewater systems, and 30% in Energy, transport and other built environment and infrastructure.

Table 32. MDB adaptation finance by sector in high-income economies, 2023 (in $ million)

Sector group	Adaptation finance
Coastal and riverine infrastructure	8
Crop and food production	133
Cross-cutting sectors	372
Energy, transport, and other built environment and infrastructure	897
Financial services	55
Industry, manufacturing and trade	2
Information and communications technology	1
Institutional capacity support or technical assistance	60
Other agricultural and ecological resources	109
Water and wastewater systems	1 394
Total	**3 030**

Figure 15. MDB adaptation finance by sector in high-income economies, 2023 (in $ million)



Adaptation finance by region for high-income economies, with a further breakdown by sector, is presented in Table 33.

Table 33. MDB adaptation finance by sector and by region in high-income economies, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: EU	Europe: Non-EU	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Coastal and riverine infrastructure	-	-	-	-	8	-	-	-	-	8
Crop and food production	-	-	119	-	14	-	-	0	0	133
Cross-cutting sectors	-	0	17	-	340	-	-	13	2	372

	Central Asia	East Asia and the Pacific	Europe: EU	Europe: Non-EU	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Energy, transport and other built environment and infrastructure	-	-	846	-	51	-	-	-	0	897
Financial services	-	-	39	-	2	5	-	-	8	55
Industry, manufacturing and trade	-	-	2	-	0	-	-	-	0	2
Information and communications technology	-	-	-	-	1	-	-	-	0	1
Institutional capacity support or technical assistance	-	0	2	-	56	-	-	-	2	60
Other agricultural and ecological resources	-	-	33	-	75	-	-	-	1	109
Water and wastewater systems	-	-	1 151	-	86	156	-	-	1	1 394
Total	**-**	**0**	**2 209**	**-**	**632**	**161**	**-**	**13**	**14**	**3 030**

3.3 MDB MITIGATION FINANCE IN HIGH-INCOME ECONOMIES

In 2022, the multilateral development banks reported a total of $97.2 billion in financial commitments to the mitigation of climate change, with $47.3 billion, or 49%, committed to high-income economies.

Table 34 provides a breakdown of climate change mitigation finance committed by the multilateral development banks from MDB own-account and external resources in high-income economies.

Table 34. MDB mitigation finance by MDB, according to source of funds in high-income economies, 2023 (in $ million)

	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total
MDB own account	-	0	203	868	2 789	39 599	1 166	50	-	2 194	46 869
MDB-managed external resources	-	0		-	54	282	18	-	-	30	384
Total	**-**	**0**	**203**	**868**	**2 843**	**39 881**	**1 183**	**50**	**-**	**2 224**	**47 253**

Table 35 shows a breakdown by type of recipient or borrower.

Table 35. MDB mitigation finance by MDB and by type of recipient or borrower in high-income economies, 2023 (in $ million)

MDB	Private	Public
AfDB	-	-
ADB	0	0
AIIB	203	-
CEB	-	868
EBRD	2 702	141
EIB	18 329	21 552
IDBG	327	856
IDB	*-*	*856*
IDB Invest	*325*	*-*
IDB Lab	*2*	*-*
IsDB	-	50
NDB	-	-
WBG	1 542	682
IBRD/IDA	*-*	*682*
IFC	*1 542*	*-*
MIGA	*-*	*-*
Total	**23 103**	**24 149**

Table 36 breaks down MDB mitigation finance by type of instrument. The multilateral development banks reported that 90% of total mitigation finance was committed through investment loans in high-income economies.

Table 36. MDB mitigation finance by type of instrument in high-income economies, 2023 (in $ million)

Instrument type	Mitigation finance
Equity	839
Grant	16
Guarantee	2 275
Investment loan	38 256
Line of credit	4 922
Policy-based financing	701
Results-based financing	-
Other instruments	245
Total	**47 253**

Figure 16. MDB mitigation finance by type of instrument in high-income economies, 2023 (in $ million)

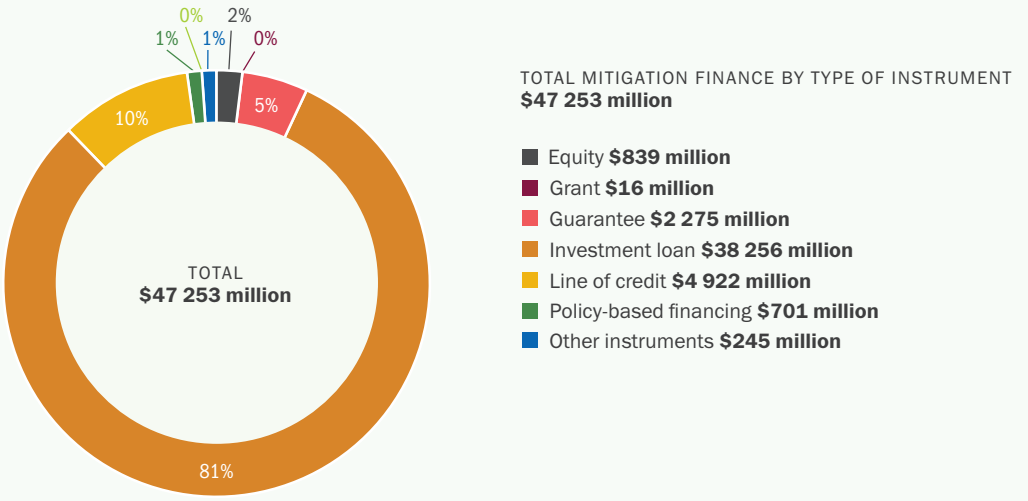


Table 37 shows total mitigation finance by region. The largest proportions of mitigation finance for high-income economies were for the European Union (93%).

Table 37. MDB mitigation finance by region in high-income economies, 2023 (in $ million)

Region	Mitigation finance
Central Asia	-
East Asia and the Pacific	235
Europe: EU	43 896
Europe: Non-EU	95
Latin America and the Caribbean	1 612
Middle East and North Africa	359
South Asia	-
Sub-Saharan Africa	-
Multi-regional	1 056
Total	**47 253**

Figure 17. MDB mitigation finance by region in high-income economies, 2023 (in $ million)

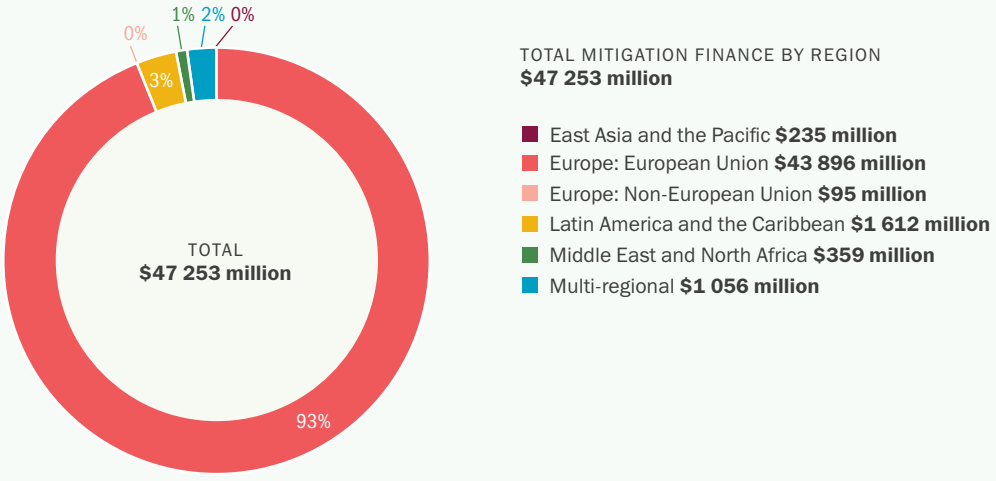
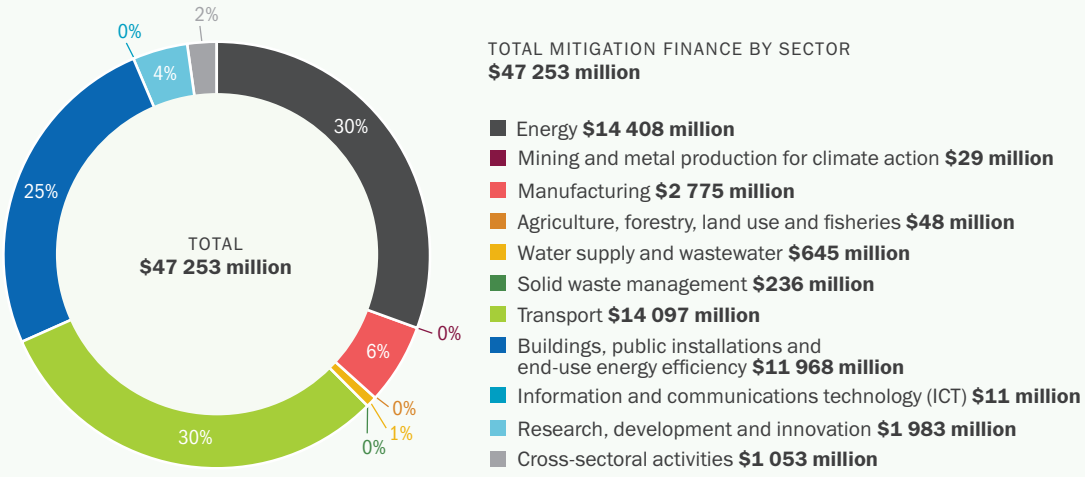


Table 38 reports MDBs' mitigation finance by sector in high-income economies, with 30% in the Energy and Transport sectors, and the sector of Buildings, public installations and end-use energy efficiency, with 25%.

Table 38. MDB mitigation finance by sector in high-income economies, 2023 (in $ million)

Region	Mitigation finance
Energy	14 408
Mining and metal production for climate action	29
Manufacturing	2 775
Agriculture, forestry, land use and fisheries	48
Water supply and wastewater	645
Solid waste management	236
Transport	14 097
Buildings, public installations and end-use energy efficiency	11 968
Information and communications technology (ICT) and digital technologies	11
Research, development and innovation	1 983
Cross-sectoral activities	1 053
Total	**47 253**

Figure 18. MDB mitigation finance by sector in high-income economies, 2023 (in $ million)



Mitigation finance by region for high-income economies, and with a further breakdown by sector, is presented in Table 39.

Table 39. MDB mitigation finance by sector and by region in high-income economies, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Energy	-	-	13 001	65	893	16	-	-	434	14 408
Mining and metal production for climate action	-	-	29	-	-	-	-	-	-	29
Manufacturing	-	-	2 761	-	-	-	-	-	14	2 775

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Agriculture, forestry, land use and fisheries	-	-	36	-	11	-	-	-	1	48
Water supply and wastewater	-	-	610	-	21	-	-	-	14	645
Solid waste management	-	-	206	-	28	-	-	-	3	236
Transport	-	70	13 550	-	151	274	-	-	53	14 097
Buildings, public installations and end-use energy efficiency	-	165	11 183	-	75	61	-	-	483	11 968
Information and communications technology (ICT) and digital technologies	-	-	-	-	4	-	-	-	7	11
Research, development and innovation	-	-	1 928	30	24	-	-	-	0	1 983
Cross-sectoral activities	-	-	592	-	405	8	-	-	48	1 053
Total	**-**	**235**	**43 896**	**95**	**1 612**	**359**	**-**	**-**	**1 056**	**47 253**

3.4 CLIMATE CO-FINANCE IN HIGH-INCOME ECONOMIES

The multilateral development banks' climate co-finance is based on the MDBs' harmonised definitions which can be consulted in Section 1.3.

Table 40 shows climate co-finance flows by adaptation and mitigation for high-income countries. In order to avoid double-counting, the last column of Tables 40 and 41 nets out potentially double-counted co-financing by considering only the proportion of co-financing for every project that features co-financing from another multilateral development bank. These figures are also listed in Table 64, in Annex A.1., alongside each bank's own climate finance flows.

Table 40. Climate co-finance flows by MDB and by thematic focus in high-income economies, 2023 (in $ million)

							IDBG					WBG				
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDB	IDB Invest	IDB Lab	IsDB	NDB	IBRD/ IDA	IFC	MIGA	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Mitigation finance	-	-	87	2 615	22 979	73 455	1 399	949	3	86	-	281	2 069	-	103 923	**99 879**
Adaptation finance	15	-	27	316	763	1 855	108	28	1	-	-	0	24	-	3 137	**3 114**
Total	**15**	**-**	**114**	**2 931**	**23 743**	**75 310**		**2 488**		**86**	**-**		**2 375**		**107 061**	**102 993**

Table 41. Climate co-finance flows by MDB and by source in high-income economies, 2023 (in $ million)

							IDBG					WBG				
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDB	IDB Invest	IDB Lab	IsDB	NDB	IBRD/ IDA	IFC	MIGA	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Public direct mobilisation	-	-	-	2 344	-	774	-	-	1	-	-	-	192	-	3 312	**3 312**
Public co-finance																
Other MDBs	8	-	70	587	511	76	-	129	-	-	-	-	123	-	1 505	**1 505**
IDFC members	-	-	-	-	-	2 887	106	-	-	-	-	-	11	-	3 005	**3 004**
Other international public	7	-	-	-	11	6 397	-	1	-	-	-	-	415	-	6 831	**6 749**
Other domestic public	-	-	-	-	11	15 751	18	-	-	-	-	-	-	-	15 780	**15 771**
Sub-Total	15	-	70	2 931	533	25 886	124	131	1	-	-	-	741	-	30 432	**30 341**
Private mobilisation																
Private direct mobilisation	-	-	-	-	662	4 427	-	657	-	-	-	-	536	-	6 282	**6 282**
Private indirect mobilisation	-	-	44	-	22 548	44 997	1 383	189	2	86	-	282	816	-	70 347	**66 370**
Sub-Total	-	-	44	-	23 210	49 424	1 383	847	2	86	-	282	1 352	-	76 629	**72 652**
Total	**15**	**-**	**114**	**2 931**	**23 743**	**75 310**		**2 488**		**86**	**-**		**2 375**		**107 061**	**102 993**

ANNEX A

FURTHER DETAILED ANALYSIS OF MDB CLIMATE FINANCE DATA

The 2023 MDB climate finance commitments are presented in this year's report in two separate chapters: Chapter II) low-income and middle-income economies, a grouping that includes low, lower-middle and upper-middle income economies, and Chapter III) high-income economies. More detailed analysis, data that cannot easily be split by income level such as Climate Finance for Small Island Developing States and global aggregated MDB data, are provided in this annex. Data in this annex provide for data comparability of this year's report with previous years' reports.

Figure 19 outlines MDB climate finance commitments by income group, showing low- and middle-income economies separately from high-income economies. For data on climate finance in all countries of operation, including for earlier reporting periods back to 2015, refer to Annex B.

Figure 19. MDB climate finance by income levels of borrowing or recipient economies, 2019-2023 (in $ billion)

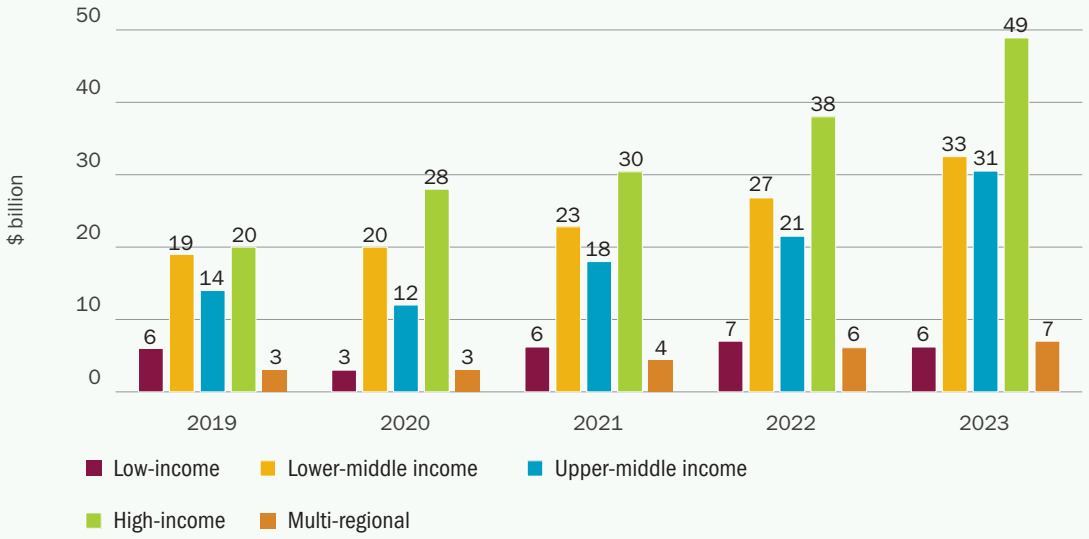


Figure 20. Total MDB climate finance commitments in all economies where the multilateral development banks operate, 2023 (in $ million)

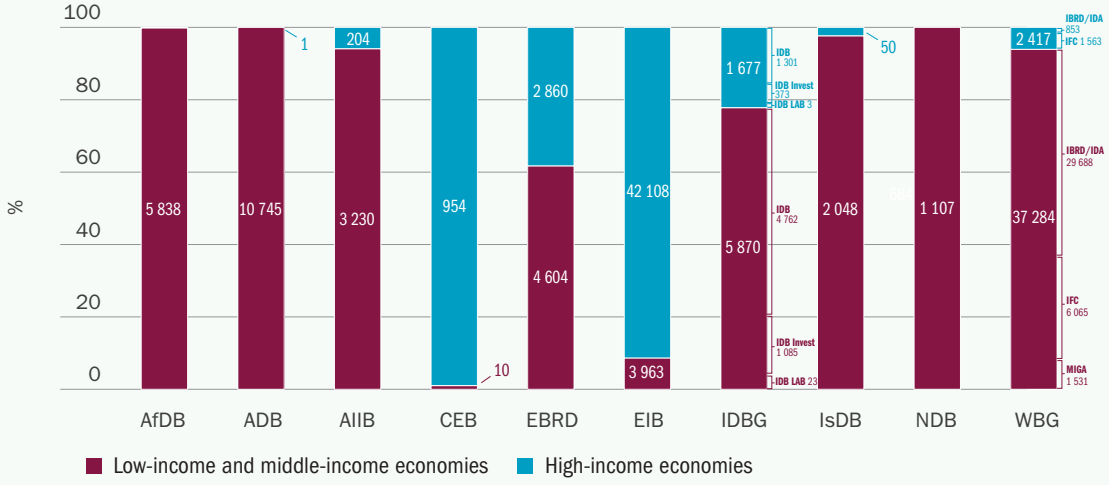


Table 42 presents data on MDB climate finance by type of recipient or borrower.[19] In 2023, MDBs reported $85.9 billion of their climate finance as being for public entities and $39 billion for private entities. It also shows a total of $171.7 billion coming from climate co-finance, with $149.9 billion in mitigation projects, and $70.5 billion in climate co-finance from public sources.

Table 42. Total MDB climate finance and net climate co-finance by economy income group and by type of recipient or borrower, 2023 (in $ million)

	MDB CLIMATE FINANCE	
	For low- and middle-income economies	For high-income economies
Mitigation	49 995	47 253
Adaptation	24 691*	3 030
Public	59 030*	26 869
Private	15 655	23 414
	CLIMATE CO-FINANCE	
	For low- and middle-income economies	For high-income economies
Mitigation	50 069	99 879
Adaptation	18 700	3 114
Public	40 217	30 341
Private	28 552	72 652

Notes:
1. Public and private sector operations: This determination is based on the status of the first recipient or borrower of MDB finance. The first recipient or borrower is considered to be public when at least 50% of the stakes or shares of the recipient or borrower are publicly owned.
2. (*) See footnote 1 for Figures 1a and 1b. Climate finance from AIIB financing for one project amounting to $13 million (for adaptation), reported under ERUM, is excluded from the MDB total amounts to avoid double-counting.

Table 43 shows total MDBs' climate finance for all economies where they operate. Of the $125 billion, $120.4 billion were from the MDBs' own accounts and $4.6 billion from external resources that were channelled through the institutions.

Table 43. Total MDB climate finance, 2023 (in $ million)

	AFDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	ISDB	NDB	WBG	TOTAL MDBS
For low- and middle-income economies											
Own account	5 009	9 863	3 230	10	4 070	3 349	5 630	2 048	1 107	36 266	70 583
MDB-managed external resources	829	882	-	-	533	614	240	-	-	1 018	4 103
For high-income economies											
Own account	11	1	204	954	2 805	41 826	1 292	50	-	2 330	49 836
MDB-managed external resources	-	0	-	-	55	282	9	-	-	87	446
Climate finance from MDB own account, as a percentage of MDB operations from MDB own account	*53%*	*46%*	*29%*	*22%*	*48%*	*56%*	*46%*	*46%*	*24%*	*41%*	*47%*
MDB climate finance as a percentage of total MDB operations	*55%*	*43%*	*29%*	*22%*	*50%*	*57%*	*46%*	*46%*	*24%*	*39%*	*45%*

Notes:
1. "MDB climate finance" refers to the sum of the climate finance from the MDBs' own accounts and the MDB-managed external resources.
2. "Total MDB operations" refers to the sum of the MDBs' own accounts and MDB-managed external resources.
3. For IsDB, the reported commitment excludes operations of IsDB Group members, including the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC).

19 See Annex C.1 for the definitions of public and private recipients or borrowers.

ANNEX A.1. TOTAL MDB CLIMATE FINANCE

This annex presents aggregate information on climate finance in low- and middle-income economies and high-income economies.

Table 44 shows MDBs' adaptation and mitigation finance for all economies where they operate.

Table 44. Total MDB climate finance by income level group and type of climate finance, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES		
MDB	**Adaptation finance**	**Mitigation finance**	**MDB climate finance**
AfDB	3 042	2 796	5 838
ADB	4 577	6 168	10 745
AIIB	340	2 890	3 230
CEB	-	10	10
EBRD	603	4 001	4 604
EIB	737	3 226	3 963
IDBG	1 751	4 118	5 870
IDB	*1 466*	*3 296*	*4 762*
IDB Invest	*277*	*808*	*1 085*
IDB Lab	*8*	*14*	*23*
IsDB	622	1 426	2 048
NDB	493	614	1 107
WBG	12 538	24 746	37 284
IBRD/IDA	*12 345*	*17 343*	*29 688*
IFC	*132*	*5 932*	*6 065*
MIGA	*60*	*1 471*	*1 531*
Total	**24 691***	**49 995**	**74 686***
	FOR HIGH-INCOME ECONOMIES		
MDB	**Adaptation finance**	**Mitigation finance**	**MDB climate finance**
AfDB	11	-	11
ADB	1	0	1
AIIB	1	203	204
CEB	86	868	954
EBRD	17	2 843	2 860
EIB	2 227	39 881	42 108
IDBG	494	1 183	1 677
IDB	*445*	*856*	*1 301*
IDB Invest	*48*	*325*	*373*
IDB Lab	*1*	*2*	*3*
IsDB	-	50	50
NDB	-	-	-
WBG	193	2 224	2 417
IBRD/IDA	*171*	*682*	*853*
IFC	*22*	*1 542*	*1 563*
MIGA	*-*	*-*	*-*
Total	**3 030**	**47 253**	**50 283**

(*) See footnote 1 for Figures 1a and 1b.

The multilateral development banks report on the nature of the first recipients or borrowers[20] of their climate finance (those to whom finance will flow directly from the MDBs), differentiating between public and private recipients or borrowers. Total commitment varies significantly between the banks' own accounts and MDB-managed external resources, as Table 45 illustrates. Table 46 shows the split by type of recipient or borrower for the MDBs' own accounts and for MDB-managed external resources.

Table 45. Total MDB climate finance by source of funds, by type of recipient or borrower and by income level group, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES	
Type of recipient or borrower	**MDB own account**	**MDB-managed external resources**
Public recipient or borrower	55 944	3 086*
Private recipient or borrower	14 639	1 016
Total	**70 583**	**4 103***
	FOR HIGH-INCOME ECONOMIES	
Type of recipient or borrower	**MDB own account**	**MDB-managed external resources**
Public recipient or borrower	26 640	229
Private recipient or borrower	23 196	218
Total	**49 836**	**446**

(*) See footnote 1 for Figures 1a and 1b.

Table 46. Total MDB climate finance by MDB, by type of recipient or borrower and by income level group, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES		FOR HIGH-INCOME ECONOMIES	
MDB	**Private**	**Public**	**Private**	**Public**
AfDB	1 056	4 782	-	11
ADB	1 246	9 499	0	1
AIIB	1 085	2 145	204	-
CEB	-	10	-	954
EBRD	3 073	1 530	2 702	158
EIB	415	3 547	18 568	23 540
IDBG	1 107	4 762	376	1 301
IDB	*-*	*4 762*	*-*	*1 301*
IDB Invest	*1 085*	*-*	*373*	*-*
IDB Lab	*23*	*-*	*3*	*-*
IsDB	76	1 972	-	50
NDB	-	1 107	-	-
WBG	7 596	29 688	1 563	853
IBRD/IDA	*-*	*29 688*	*-*	*853*
IFC	*6 065*	*-*	*1 563*	*-*
MIGA	*1 531*	*-*	*-*	*-*
Total	**15 655**	**59 030***	**23 414**	**26 869**

(*) See footnote 1 for Figures 1a and 1b.

20 See Annex C.1 for the definitions of public and private recipients or borrowers.

The multilateral development banks reported that 70% of total climate finance was committed through investment loans. Illustrative examples of the various types of instrument are presented in tables in Annex C.5.

Table 47. Total MDB climate finance by type of instrument and by income level group, 2023 (in $ million)

Instrument type	For low- and middle-income economies	For high-income economies
Equity	1 141	852
Grant	4 982	17
Guarantee	4 540	2 361
Investment loan	46 944*	40 642
Line of credit	1 384	5 053
Policy-based financing	10 667	1 101
Results-based financing	4 257	0
Other instruments	770	256
Total	**74 686***	**50 283**

Notes:
1. Annex C.5 defines the various types of instrument.
2. Other instruments include advisory services and bonds. Some MDBs report eligible bonds under the category of investment loans.
3. (*) See footnote 1 for Figures 1a and 1b.

Table 48 shows MDB climate finance commitments by region.[21]

Table 48. Total MDB climate finance by region and by income level group, 2023 (in $ million)

Region	For low- and middle-income economies	For high-income economies
Central Asia	2 388	0
East Asia and the Pacific	10 884*	235
Europe: European Union	202	46 105
Europe: Non-European Union	9 038	95
Latin America and the Caribbean	13 616	2 244
Middle East and North Africa	4 774	520
South Asia	12 927	0
Sub-Saharan Africa	17 227	13
Multi-regional	3 630	1 070
Total	**74 686***	**50 283**

(*) See footnote 1 for Figures 1a and 1b.

21 See Tables B.1 and B.2 for regional groupings.

ANNEX A.2. TOTAL MDB ADAPTATION FINANCE

Of the $125 billion invested in climate finance, a total of $27.7 billion was committed for climate change adaptation finance.

Table 49 presents the 2023 adaptation figures for multilateral development banks for all the economies, with a breakdown of climate change adaptation finance committed by the MDBs from their own accounts and from MDB-managed external resources by income economies. Table 50 presents the adaptation finance figures by type of recipient or borrower.

Table 49. Total MDB adaptation finance in all the economies by MDB according to source of funds, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES		FOR HIGH-INCOME ECONOMIES		TOTAL	
MDB	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources
AfDB	2 657	384	11	-	2 668	384
ADB	4 311	266	1	0	4 312	267
AIIB	340	-	1	-	341	-
CEB	-	-	86	-	86	-
EBRD	360	243	16	1	376	243
EIB	674	63	2 227	-	2 901	63
IDBG	1 689	62	489	5	2 178	67
IsDB	622	-	-	-	622	-
NDB	493	-	-	-	493	-
WBG	12 046	492	136	57	12 183	548
Total	**23 193**	**1 497***	**2 967**	**63**	**26 160**	**1 560***

(*) See footnote 1 for Figures 1a and 1b.

Table 50. Total MDB adaptation finance by MDB and by type of recipient or borrower, 2023 (in $ million)

MDB	Private	Public
AfDB	614	2 438
ADB	88	4 490*
AIIB	46	295
CEB	-	86
EBRD	292	328
EIB	257	2 707
IDBG	335	1 911
IsDB	75	547
NDB	-	493
WBG	214	12 517
Total	**1 921**	**25 800***

(*) See footnote 1 for Figures 1a and 1b.

Table 51 breaks down total MDB adaptation finance by type of instrument. The multilateral development banks reported that 66% of adaptation finance for all economies was committed through investment loans, followed by grants and policy-based lending.

Table 51. Total MDB adaptation finance by type of instrument, 2023 (in $ million)

Instrument type	Total
Equity	81
Grant	2 629
Guarantee	907
Investment loan	18 405*
Line of credit	301
Policy-based financing	3 379
Results-based financing	1 704
Other instruments	315
Total	**27 720***

(*) See footnote 1 for Figures 1a and 1b.

Table 52 shows total adaptation finance for all the economies by region. The largest proportions of adaptation finance were reported in the following regions: Sub-Saharan Africa, South Asia and Latin America and the Caribbean.

Table 52. Total MDB adaptation finance by region, 2023 (in $ million)

Region	Total
Central Asia	441
East Asia and the Pacific	3 599*
Europe: European Union	2 217
Europe: Non-European Union	1 644
Latin America and the Caribbean	3 955
Middle East and North Africa	1 961
South Asia	4 935
Sub-Saharan Africa	7 514
Multi-regional	1 455
Total	**27 720***

(*) See footnote 1 for Figures 1a and 1b.

Table 53 reports total MDB adaptation finance by sector, with 26% in Energy, transport and other built environment and infrastructure, followed by 23% in Cross-cutting operations, and 18% in Water and wastewater systems.

Table 53. Total MDB adaptation finance by sector, 2023 (in $ million)

Sector group	Total
Coastal and riverine infrastructure	2 289
Crop and food production	2 179
Cross-cutting sectors	6 367
Energy, transport, and other built environment and infrastructure	7 254*
Financial services	1 184
Industry, manufacturing and trade	141
Information and communications technology	246
Institutional capacity support or technical assistance	1 884
Other agricultural and ecological resources	1 231
Water and wastewater systems	4 945
Total	**27 720***

(*) See footnote 1 for Figures 1a and 1b.

Adaptation finance by region, for all the economies, with a further breakdown by sector, is presented in Table 54.

Table 54. Total MDB adaptation finance by sector and by region, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Coastal and riverine infrastructure	-	854	-	13	218	-	600	512	92	2 289
Crop and food production	23	149	119	115	114	379	251	726	303	2 179
Cross-cutting sectors	48	615	17	288	1 230	210	1 128	2 392	439	6 367
Energy, transport and other built environment and infrastructure	213	1 101*	854	740	825	182	1 559	1 718	76	7 267*
Financial services	80	144	39	17	159	192	65	457	31	1 184
Industry, manufacturing and trade	2	7	2	10	16	9	-	72	24	141
Information and communications technology	-	16	-	-	8	4	24	181	13	246
Institutional capacity support or technical assistance	19	326	2	29	425	208	283	467	125	1 884
Other agricultural and ecological resources	15	201	33	149	498	23	180	122	9	1 231
Water and wastewater systems	41	199	1 151	283	464	753	844	866	343	4 945
Total	**441**	**3 599***	**2 217**	**1 644**	**3 955**	**1 961**	**4 935**	**7 514**	**1 455**	**27 720***

(*) See footnote 1 for Figures 1a and 1b.

ANNEX A.3. TOTAL MDB MITIGATION FINANCE

Table 55 provides a breakdown of climate change mitigation finance committed by the multilateral development banks from MDB own-account and external resources for all economies where MDBs operate.

Table 55. Total MDB mitigation finance by MDB, and by income level group and by source of funds, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES		FOR HIGH-INCOME ECONOMIES		TOTAL	
MDB	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources
AfDB	2 352	444	-	-	2 352	444
ADB	5 552	616	0	0	5 552	616
AIIB	2 890	-	203	-	3 093	-
CEB	10	-	868	-	878	-
EBRD	3 710	291	2 789	54	6 499	345
EIB	2 675	550	39 599	282	42 274	833
IDBG	3 941	178	1 166	18	5 106	195
IsDB	1 426	-	50	-	1 476	-
NDB	614	-	-	-	614	-
WBG	24 220	526	2 194	30	26 414	556
Total	**47 390**	**2 605**	**46 869**	**384**	**94 259**	**2 989**

(*) See footnote 1 for Figures 1a and 1b.

Table 56 shows a breakdown by type of recipient or borrower.

Table 56. Total MDB mitigation finance by MDB and by type of recipient or borrower, 2023 (in $ million)

MDB	Private	Public
AfDB	442	2 355
ADB	1 158	5 010
AIIB	1 243	1 850
CEB	-	878
EBRD	5 484	1 360
EIB	18 727	24 380
IDBG	1 149	4 153
IsDB	1	1 475
NDB	-	614
WBG	8 945	18 025
Total	**37 149**	**60 099**

(*) See footnote 1 for Figures 1a and 1b.

Table 57 breaks down MDB mitigation finance by type of instrument. The multilateral development banks reported that 71% of total mitigation finance was committed through investment loans, followed by policy-based lending and line of credit.

Table 57. Total MDB mitigation finance by type of instrument, 2023 (in $ million)

Instrument type	Total
Equity	1 913
Grant	2 369
Guarantee	5 994
Investment loan	69 182
Line of credit	6 136
Policy-based financing	8 389
Results-based financing	2 553
Other instruments	712
Total	**97 248**

(*) See footnote 1 for Figures 1a and 1b.

Table 58 shows total mitigation finance by region. The largest proportions of mitigation finance were in the following regions: Europe: European Union, Latin America and the Caribbean, Sub-Saharan Africa, and East Asia and the Pacific.

Table 58. Total MDB mitigation finance by region, 2023 (in $ million)

Region	Total
Central Asia	1 947
East Asia and the Pacific	7 521
Europe: European Union	44 090
Europe: Non-European Union	7 490
Latin America and the Caribbean	11 904
Middle East and North Africa	3 333
South Asia	7 992
Sub-Saharan Africa	9 727
Multi-regional	3 245
Total	**97 248**

(*) See footnote 1 for Figures 1a and 1b.

Table 59 reports MDBs' mitigation finance for all the economies by sector with 29% to the Energy sector, followed by Transport, with 24%.

Table 59. Total MDB mitigation finance by sector, 2023 (in $ million)

Region	Total
Energy	28 142
Mining and metal production for climate action	79
Manufacturing	4 851
Agriculture, forestry, land use and fisheries	2 741
Water supply and wastewater	2 945
Solid waste management	884
Transport	23 294
Buildings, public installations and end-use energy efficiency	17 748
Information and communications technology (ICT) and digital technologies	529
Research, development and innovation	2 018
Cross-sectoral activities	14 018
Total	**97 248**

(*) See footnote 1 for Figures 1a and 1b.

Mitigation finance by region, for all the economies, with further breakdown by sectors, is presented in Table 60.

Table 60. Total MDB mitigation finance by sector and by region, 2023 (in $ million)

	Central Asia	East Asia and the Pacific	Europe: European Union	Europe: Non-European Union	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	Multi-regional	Total
Energy	1 324	1 767	13 124	1 779	2 922	686	1 906	3 599	1 034	28 142
Mining and metal production for climate action	-	-	29	-	50	-	-	-	0	79
Manufacturing	93	69	2 761	1 192	157	228	82	223	45	4 851
Agriculture, forestry, land use and fisheries	23	564	36	200	444	122	390	723	239	2 741
Water supply and wastewater	162	118	610	201	822	166	405	435	25	2 945
Solid waste management	0	365	206	54	111	27	78	21	21	884
Transport	70	1 552	13 605	1 662	890	1 042	2 427	1 470	575	23 294
Buildings, public installations and end-use energy efficiency	47	1 340	11 195	951	1 403	395	603	1 080	734	17 748
Information and communications technology (ICT) and digital technologies	47	74	-	7	154	0	17	157	73	529
Research, development and innovation	-	-	1 928	30	43	-	8	7	1	2 018
Cross-sectoral activities	181	1 671	596	1 413	4 907	667	2 075	2 011	496	14 018
Total	**1 947**	**7 521**	**44 090**	**7 490**	**11 904**	**3 333**	**7 992**	**9 727**	**3 245**	**97 248**

(*) See footnote 1 for Figures 1a and 1b.

ANNEX A.4. CLIMATE CO-FINANCE AND CLIMATE FINANCE RATIOS

The multilateral development banks' climate co-finance is based on their harmonised definitions which can be consulted in Section 1.3.

Table 61 shows climate co-finance flows by adaptation and mitigation for all the economies where multilateral development banks operate. In order to avoid double-counting, the last column of Tables 61 and 62 nets out potentially double-counted co-financing by considering only the proportion of co-financing for every project that features co-financing from another multilateral development bank.

Table 62 shows 2023 climate co-finance flows as reported by each institution, segmented by the source of co-financing. These CCF figures are the best estimate of resource flows based on information available at the time of board approval and/or commitment to each project. In some cases, two or more multilateral development banks jointly finance a project, which results in some overlap between the gross co-finance figures reported by the different banks. This table reflects the 2023 CCF flows, including the direct and indirect mobilisation attributed to guarantees. The guarantee exposure of each MDB has been shown as "own account" in Tables 2, 22, 43 and 63.

Table 63 shows climate co-finance for low- and middle-income economies, high-income economies and totals, for each multilateral development bank. It also presents climate finance ratios for each MDB, calculated with total climate co-finance numbers, in Table 62.

Table 61. Total climate co-finance flows by MDB and by thematic focus, 2023 (in $ million)

	FOR LOW- AND MIDDLE-INCOME ECONOMIES											
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Mitigation finance	3 252	7 342	2 193	30	3 456	5 413	2 955	3 731	2 359	28 169	58 900	**50 069**
Adaptation finance	3 405	4 621	3 322	0	1 300	891	1 795	374	619	4 518	20 844	**18 700**
Total	**6 656**	**11 963**	**5 515**	**30**	**4 756**	**6 304**	**4 750**	**4 104**	**2 978**	**32 687**	**79 744**	**68 770**
	FOR HIGH-INCOME ECONOMIES											
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Mitigation finance	-	-	87	2 615	22 979	73 455	2 351	86	-	2 351	103 923	**99 879**
Adaptation finance	15	-	27	316	763	1 855	137	-	-	24	3 137	**3 114**
Total	**15**	**-**	**114**	**2 931**	**23 743**	**75 310**	**2 488**	**86**	**-**	**2 375**	**107 061**	**102 993**
	TOTAL CLIMATE CO-FINANCE											
	AfDB	ADB	AIIB	CEB	EBRD	EIB	IDBG	IsDB	NDB	WBG	Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
Mitigation finance	3 252	7 342	2 279	2 645	26 435	78 868	5 306	3 816	2 359	30 520	162 823	**149 948**
Adaptation finance	3 420	4 621	3 349	316	2 064	2 746	1 932	374	619	4 542	23 982	**21 814**
Total	**6 671**	**11 963**	**5 628**	**2 961**	**28 499**	**81 614**	**7 238**	**4 190**	**2 978**	**35 062**	**186 805**	**171 762**

Table 62. Total climate co-finance flows by MDB, by source and by income level group, 2023 (in $ million)

	AfDB		ADB		AIIB		CEB		EBRD		EIB		IDBG		IsDB		NDB		WBG		Total climate co-finance	Total MDB climate co-finance adjusted for multiple MDB financing
	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC	LMIC	HIC		
Public direct mobilisation	-	-	74	-	4	-	25	2 344	-	-	8	774	449	1	-	-	-	-	12 593	192	16 464	**16 464**
Public co-finance																			-	-	-	
Other MDBs	1 819	8	2 736	-	3 290	70	5	587	809	511	865	76	130	129	1 529	-	1 012	-	1 309	123	15 008	**15 008**
IDFC members	1 227	-	2 204	-	75	-	-	-	216	-	199	2 887	2 024	106	-	-	-	-	268	11	9 218	**6 559**
Other international public	2 130	7	326	-	217	-	-	-	26	11	307	6 397	5	1	-	-	-	-	639	415	10 482	**8 680**
Other domestic public	1 113	-	4 207	-	678	-	-	-	217	11	1 342	15 751	18	18	-	-	1 582	-	934	-	25 871	**23 847**
Private mobilisation																			-	-	-	
Private direct mobilisation	-	-	263	-	429	-	-	-	482	662	612	4 427	773	657	-	-	-	-	6 047	536	14 887	**14 887**
Private indirect mobilisation	366	-	2 153	-	821	44	-	-	3 006	22 548	2 970	44 997	1 352	1 575	2 576	86	384	-	10 897	1 097	94 873	**86 316**
Total	**6 671**		**11 963**		**5 628**		**2 961**		**28 499**		**81 614**		**7 238**		**4 190**		**2 978**		**35 062**		**186 805**	**171 762**

Notes:
1. Co-financing figures are current as of 13 June 2024. Fluctuations are expected due to changes in project financing between board approvals, loan signatures and execution.
2. For non-commercial guarantees, private direct mobilisation corresponds to the underlying investment covered by the guarantee. For MDBs reporting on own account associated with non-commercial guarantees, an adjustment must be made by the MDB to avoid double counting.
3. Local counterpart financing is reported under "Other domestic public."

Table 63. Total MDB climate co-finance and climate finance ratios, by MDB and by income level group, 2023

	AfDB		ADB		AIIB		CEB		EBRD		EIB		IDBG		IsDB		NDB		WBG		Total
Climate co-finance	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	**LMIC**	**HIC**	
MDB Climate finance by MDB	5 838	11	10 745	1	3 230	204	10	954	4 604	2 860	3 963	42 108	5 870	1 677	2 048	50	1 107	0	37 284	2 417	**124 981**
Climate co-finance	6 656	15	11 963	-	5 515	114	30	2 931	4 756	23 743	6 304	75 310	4 750	2 488	4 104	86	2 978	0	32 687	2 375	**186 805**[4]
Correction for multiple MDB financing	(1 625)	(5)	(3 080)	-	(662)	0	0	0	(430)	(3 501)	(733)	(16)	(32)	(88)	(35)	0	(978)	0	(3 399)	(459)	**(15 042)**
MDB climate activity finance	10 869	21	19 629	1	8 082	318	39	3 885	8 929	23 102	9 533	117 402	10 588	4 078	6 118	136	3 107	0	66 572	4 333	**296 744**
Total MDB climate activity finance	**10 891**		**19 630**		**8 400**		**3 925**		**32 031**		**126 936**		**14 666**		**6 253**		**3 107**		**70 905**		**296 744**

Climate finance ratios	**AfDB**	**ADB**	**AIIB**	**CEB**	**EBRD**	**EIB**	**IDBG**	**IsDB**	**NDB**	**WBG**	**Total**
Climate finance from MDB own account, as a percentage of MDB operations from MDB own account	53%	46%	29%	22%	48%	56%	46%	46%	24%	41%	**47%**
MDB climate finance as a percentage of total MDB operations	55%	43%	29%	22%	50%	57%	46%	46%	24%	39%	**45%**

Notes:
1. Total MDB climate activity finance refers to the sum of "Total MDB climate finance" and "Climate co-finance."
2. (*) See footnote 1 for Figures 1a and 1b.
3. The AIIB's 2023 climate finance share was calculated based on the regular financing projects only.
4. The total MDB co-finance adjusted for multiple MDB financing figure therefore is 171 762 (please see correction factor in line 3, and table 62 for reference).

ANNEX A.5. MDB CLIMATE FINANCE IN LEAST DEVELOPED COUNTRIES (LDCS) AND SMALL ISLAND DEVELOPING STATES (SIDS)

Annex A.5 was added for the first time in the 2022 report in response to several users' requests for further breakdown and details of LDC and SIDS climate financing.

The list of countries shown in Annex B.1 presents the classification of countries and those that fall into the LDC category.

In 2023, the multilateral development banks committed $13 482 million to finance climate change in LDCs. Most of the climate finance provided to LDCs is managed by MDBs' own account, with only 6% coming from MDB-managed external resources.

Moreover, a total of $2 396 million was committed for climate change finance for SIDS. Most of that amount was provided for low- and middle-income economies.

Additionally, a total of $215 million was committed for climate change finance for countries that belong to both of the categories, LDCs and SIDS.

MDB climate finance allocated to small island states and to least developed economies is presented in Table 64.

Least developed economies are defined according to the UNFCCC criteria[22] and presented based on the UNFCCC list.[23] Small island states are defined according to the Alliance of Small Island States (AOSIS) list.[24] Economies considered to be least developed economies and/or small island states are listed in Annex B.

Table 64. MDB climate finance for least developed countries and small island developing states, 2023 (in $ million)

	Mitigation finance	Adaptation finance	Total
Least developed countries *that are not small island states*	6 298	7 184	13 482
Small island developing states *that are not least developed economies*	1 365	1 031	
Least developed countries and small island developing states	46	169	215

Note: Some small island developing states are classified as high-income economies. However, income levels are not a relevant metric in this context, as they are highly vulnerable to climate change and require vast support for resilient measures.

Table 65. MDB climate finance in LDCs, SIDS and countries that belong to both categories, by source of funds and type of recipient or borrower, 2023 (in $ million)

Type of recipient or borrower	LDCs		SIDS				Both	
			For low- and middle-income economies		For high-income economies			
	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources	MDB own account	MDB-managed external resources
Public recipient/ borrower	11 984	728	1 885	58	-	-	199	12
Private recipient/ borrower	640	131	452	0	-	-	3	2
Total	**12 624**	**859***	**2 338**	**58**	**-**	**-**	**202**	**14**

(*) See footnote 1 for Figures 1a and 1b.

22 https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html

23 https://unfccc.int/topics/resilience/workstreams/national-adaptation-programmes-of-action/ldc-country-information

24 https://www.aosis.org/member-states

The MDBs reported that 56% of climate finance for LDCs was committed through investment loans, followed by grants (16%).

The MDBs reported that 52% of climate finance for SIDS was committed through investment loans, followed by policy-based lending (34%) and grants (4%).

As shown in Table 66, climate finance in those countries that belong to both LDCs and SIDS categories is mainly driven by grants (78%) and investment loans (16%).

Table 66. MDB climate finance in LDCs, SIDS and countries that belong to both categories by instrument, 2023 (in $ million)

	LDCs		SIDS				Both	
			For low- and middle-income economies		For high-income economies			
Instrument type	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**
Equity	-	48	4	1	-	-	-	-
Grant	1 270	858	41	50	-	-	150	16
Guarantee	221	323	-	7	-	-	-	-
Investment loan	3 920	3 609	413	837	-	-	8	26
Line of credit	3	7	80	39	-	-	-	1
Policy-based financing	1 005	794	462	343	-	-	10	2
Results-based financing	763	604	24	47	-	-	-	-
Other instruments	1	55	7	41	-	-	-	-
Total	**7 184**	**6 298**	**1 031**	**1 365**	**-**	**-**	**169**	**46**

(*) See footnote 1 for Figures 1a and 1b.

Sub-Saharan Africa and South Asia are the LDC regions that receive most climate finance, with 66% and 28% of the total amount, respectively.

On the other hand, the majority of the resources allocated to SIDS lie mostly in Latin America and the Caribbean region, which receives 50% of the total amount, followed by Sub-Saharan Africa and East Asia and the Pacific (20%).

For countries that belong to both categories, East Asia and the Pacific occupies the first place in receiving climate finance (with 53%), followed by Latin America and the Caribbean (30%), and Sub-Saharan Africa (17%).

Table 67. MDB climate finance in LDCs, SIDS and countries that belong to both categories by region, 2023

	LDCs		SIDS				Both	
			For low- and middle-income economies		For high-income economies			
Region	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**	**Adaptation**	**Mitigation**
East Asia and the Pacific	49	65	53	249	-	-	86	29
Latin America and the Caribbean	-	-	904	618	-	-	52	13
Middle East and North Africa	228	477	-	50	-	-	-	-
South Asia	2 156	1 566	40	72	-	-	-	-
Sub-Saharan Africa	4 752	4 191	33	247	-	-	31	4
Total	**7 184**	**6 298**	**1 030**	**1 236**	**-**	**-**	**169**	**46**

(*) See footnote 1 for Figures 1a and 1b.

The adaptation Cross-cutting sectors and Energy, transport and other built environment and infrastructure receive most of the resources allocated to the LDCs, with 26% and 20% respectively, followed by Water and wastewater systems (14%) and Coastal and riverine infrastructure (12%).

Regarding the SIDS, the adaptation Cross-cutting sectors receive 47% of the total amount of adaptation finance, followed by Institutional capacity support or technical assistance (15%).

Energy, transport and other built environment and infrastructure is the sector that receives the highest amount of climate finance in those countries that belong to both categories (36%).

Table 68. MDB climate finance by adaptation sector and region in LDCs, SIDS and countries that belong to both categories, 2023 (in $ million)

	LDCs				SIDS				Both		
	East Asia and the Pacific	Middle East and North Africa	South Asia	Sub-Saharan Africa	East Asia and the Pacific	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	East Asia and the Pacific	Latin America and the Caribbean	Sub-Saharan Africa
Coastal and riverine infrastructure	-	0	407	485	-	8	1	-	-	-	0
Crop and food production	-	47	121	532	-	13	-	6	-	14	8
Cross-cutting sectors	27	15	709	1 125	16	434	18	13	10	21	10
Energy, transport, and other built environment and infrastructure	1	0	600	849	31	57	18	3	49	-	13
Financial services	4	22	0	388	-	78	-	-	-	-	-
Industry, manufacturing and trade	7	0	0	72	-	-	-	-	-	-	-
Information and communications technology	-	4	6	165	-	-	1	-	-	-	-
Institutional capacity support or technical assistance	10	11	74	300	5	137	2	12	26	2	1
Other agricultural and ecological resources	-	2	121	101	-	143	-	-	1	-	-
Water and wastewater systems	-	128	117	734	1	34	-	-	-	15	-
Total	**49**	**228**	**2 156**	**4 752**	**53**	**904**	**40**	**33**	**86**	**52**	**31**

(*) See footnote 1 for Figures 1a and 1b.

The mitigation sector of Energy receives most of the resources allocated to LDCs (29%), followed by Cross-sectoral activities (24%) and Agriculture, forestry, land use and fisheries (12%).

Regarding SIDS, Cross-sectoral activities received 44% of total mitigation finance, followed by Energy (25%) and the sector of Buildings, public installations and end-use energy efficiency (21%).

Buildings, public installations and end-use energy efficiency is the sector that receives the highest amount of climate finance in those countries that belong to both categories (57%).

Table 69. MDB climate finance by mitigation sector and region in LDCs, SIDS and countries that belong to both categories, 2023 (in $ million)

	LDCs				SIDS					Both		
	East Asia and the Pacific	Middle East and North Africa	South Asia	Sub-Saharan Africa	East Asia and the Pacific	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	East Asia and the Pacific	Latin America and the Caribbean	Sub-Saharan Africa
Energy	-	6	366	1 060	5	15	-	56	247	3	1	2
Mining and metal production for climate action	-	-	0	0	-	-	-	-	0	-	0	-
Manufacturing	-	-	0	124	-	37	-	-	0	-	0	-
Agriculture, forestry, land use and fisheries	7	16	130	597	-	1	-	-	0	-	1	-
Water supply and wastewater	-	-	70	435	-	23	-	-	0	-	7	-
Solid waste management	35	-	51	18	-	1	-	-	0	-	3	-
Transport	-	-	385	285	77	-	-	-	1	-	0	-
Buildings, public installations and end-use energy efficiency	2	2	155	439	166	57	50	9	0	23	0	2
Information and communications technology (ICT) and digital technologies	-	-	17	122	-	3	-	-	0	-	0	-
Research, development and innovation	-	-	0	7	-	-	-	-	0	-	0	-
Cross-sectoral activities	21	8	391	1 103	1	482	-	7	0	3	0	-
Total	**65**	**32**	**1 566**	**4 191**	**249**	**618**	**50**	**72**	**247**	**29**	**13**	**4**

(*) See footnote 1 for Figures 1a and 1b.

ANNEX B

GEOGRAPHICAL COVERAGE OF THE REPORT

The inclusion of economies, and the terms and names used in this report to refer to geographical or other territories, political and economic groupings and units, do not constitute and should not be construed as constituting an express or implied position, endorsement, acceptance or expression of opinion by the MDBs or their members concerning the status of any country, territory, grouping and unit, or delimitation of its borders, or sovereignty.

Tables B.1 and B.2. present a list of economies covered by at least one of the MDBs, taken into account for climate finance data presented in this report and categorised in accordance with the World Bank Group's classification list dated June 2023. Least developed economies are defined according to the UNFCCC list[25] and small island states are defined according to the Alliance of Small Island States (AOSIS) list. Note that some least developed economies are also small island states. In those cases, they are identified as "both."

Climate finance for economies marked with an asterisk (*) has not been reported in previous editions of the *Joint Report on MDBs' Climate Finance*.

Table B.1. MDB climate finance in low- and middle-income economies for 2015-2023 (in $ million)

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Afghanistan	South Asia	Low income	LDC	-	173	147	144	281	65	485	415	111
Albania	Non-EU	Upper middle income		110	174	15	111	114	34	66	70	304
Algeria	Middle East and North Africa	Lower middle income		1	-	-	-	-	-	-	-	15
Angola	Sub-Saharan Africa	Lower middle income	LDC	-	15	72	43	155	470	260	522	316
Argentina	Latin America and the Caribbean	Upper middle income		314	508	2 276	1 434	917	121	1 204	2 485	1 697
Armenia	Non-EU	Upper middle income		108	45	132	45	107	79	210	86	107
Azerbaijan	Non-EU	Upper middle income		16	171	250	20	8	11	45	80	163
Bangladesh	South Asia	Lower middle income	LDC	899	1 315	200	1 296	2 144	1 127	732	1 413	3 723
Belarus	Non-EU	Upper middle income		43	49	7	241	278	146	30	-	-
Belize	Latin America and the Caribbean	Upper-middle income	SIDS	51	4	20	2	13	1	11	49	19
Benin	Sub-Saharan Africa	Lower middle income	LDC	21	3	44	126	297	123	232	229	603
Bhutan	South Asia	Lower middle income	LDC	2	17	7	4	2	20	24	61	8
Bolivia	Latin America and the Caribbean	Lower middle income		405	373	321	363	124	77	1	196	383
Bosnia and Herzegovina	Non-EU	Upper middle income		27	95	101	110	180	78	133	133	203

25 http://unfccc.int/cooperation_and_support/ldc/items/3097.php

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Botswana	Sub-Saharan Africa	Upper middle income		-	-	143	-	19	-	170	54	107
Brazil	Latin America and the Caribbean	Upper middle income		548	914	766	1 473	1 700	1 436	2 006	2 577	3 607
Bulgaria	EU	Upper middle income		58	156	112	137	5	41	130	350	202
Burkina Faso	Sub-Saharan Africa	Low income	LDC	9	7	166	130	194	134	311	310	190
Burundi	Sub-Saharan Africa	Low income	LDC	25	22	28	27	3	108	47	51	69
Cambodia	East Asia and the Pacific	Lower middle income	LDC	46	85	86	117	139	121	171	273	103
Cameroon	Sub-Saharan Africa	Lower middle income		2	17	329	186	761	57	423	767	471
Cape Verde	Sub-Saharan Africa	Lower middle income	SIDS	1	-	15	-	11	5	18	43	150
Central African Republic	Sub-Saharan Africa	Low income	LDC	7	-	10	23	99	8	106	118	22
Chad	Sub-Saharan Africa	Low income	LDC	6	-	-	41	58	101	40	311	197
China	East Asia and the Pacific	Upper middle income		1 091	2 349	2 305	2 019	2 424	2 363	1 867	2 635	2 346
Colombia	Latin America and the Caribbean	Upper middle income		182	904	747	719	980	657	1 595	2 014	1 752
Comoros	Sub-Saharan Africa	Lower middle income	Both	5	-	4	-	23	93	3	60	22
Congo	Sub-Saharan Africa	Lower middle income		-	25	2	58	58	1	111	42	108
Costa Rica	Latin America and the Caribbean	Upper middle income		200	-	5	4	162	379	214	301	460
Côte d'Ivoire	Sub-Saharan Africa	Lower middle income		5	73	296	346	535	453	406	311	1 064
Democratic Republic of the Congo	Sub-Saharan Africa	Low income	LDC	10	153	128	6	98	305	835	91	885
Djibouti	Sub-Saharan Africa	Lower middle income	LDC	-	2	-	41	21	103	14	50	82
Dominica	Latin America and the Caribbean	Upper middle income	SIDS	-	-	-	39	70	19	3	29	-
Dominican Republic	Latin America and the Caribbean	Upper middle income	SIDS	1	137	3	509	258	1	294	690	969
Ecuador	Latin America and the Caribbean	Upper middle income		582	325	27	792	616	446	317	832	1 327
Egypt	Middle East and North Africa	Lower middle income		511	693	1 585	1 597	1 611	1 508	2 232	1 995	2 019
El Salvador	Latin America and the Caribbean	Upper middle income		-	-	29	52	128	217	525	1	227
Equatorial Guinea	Sub-Saharan Africa	Upper middle income	LDC	-	-	-	-	63	-	-	-	-

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Eritrea	Sub-Saharan Africa	Low income	LDC	-	-	7	-	34	-	-	-	51
Eswatini	Sub-Saharan Africa	Lower middle income		3	31	-	58	8	27	1	140	-
Ethiopia	Sub-Saharan Africa	Low income	LDC	79	206	192	1 154	1 214	191	1 154	150	1 392
Fiji	East Asia and the Pacific	Upper middle income	SIDS	53	31	15	-	2	18	62	74	26
Gabon	Sub-Saharan Africa	Upper middle income		-	43	24	95	67	28	77	94	3
Gambia	Sub-Saharan Africa	Low income	LDC	-	5	9	53	21	29	16	113	19
Georgia	Non-EU	Upper middle income		109	187	88	110	415	304	314	237	348
Ghana	Sub-Saharan Africa	Lower middle income		32	72	81	63	353	89	148	322	299
Grenada	Latin America and the Caribbean	Upper middle income	SIDS	-	-	1	12	-	37	4	23	-
Guatemala	Latin America and the Caribbean	Upper middle income		-	3	22	31	334	33	735	96	136
Guinea	Sub-Saharan Africa	Lower middle income	LDC	-	7	17	64	90	29	250	225	94
Guinea-Bissau	Sub-Saharan Africa	Low income	Both	10	-	3	12	8	12	11	49	2
Haiti	Latin America and the Caribbean	Lower middle income	Both	41	4	143	234	107	100	153	258	65
Honduras	Latin America and the Caribbean	Lower middle income		253	44	46	99	184	250	477	205	228
India	South Asia	Lower middle income		1 948	3 017	2 678	3 703	3 671	3 549	3 735	3 737	6 496
Indonesia	East Asia and the Pacific	Upper middle income		674	578	873	773	959	1 172	1 637	2 170	3 878
Iran	Middle East and North Africa	Lower-middle income		-	-	-	-	0	-	-	-	-
Iraq	Middle East and North Africa	Upper middle income		8	610	321	446	103	14	149	3	-
Jamaica	Latin America and the Caribbean	Upper middle income	SIDS	21	57	52	290	3	52	43	6	2
Jordan	Middle East and North Africa	Lower middle income		238	412	517	272	457	262	298	406	745
Kazakhstan	Central Asia	Upper middle income		438	521	389	260	364	96	564	421	296
Kenya	Sub-Saharan Africa	Lower middle income		260	159	581	1 161	378	451	583	789	1 115
Kiribati	East Asia and the Pacific	Lower middle income	Both	-	11	-	2	32	49	1	3	23
Kosovo	Non-EU	Upper middle income		74	56	31	48	96	57	96	121	86

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Kyrgyz Republic	Central Asia	Lower middle income		73	179	55	118	189	101	109	1	215
Lao People's Democratic Republic	East Asia and the Pacific	Lower middle income	LDC	106	13	40	109	72	59	91	236	369
Lebanon	Middle East and North Africa	Lower middle income		303	27	82	581	241	2	54	24	107
Lesotho	Sub-Saharan Africa	Lower middle income	LDC	-	11	5	15	108	9	22	30	-
Liberia	Sub-Saharan Africa	Low income	LDC	3	68	26	4	70	41	81	75	39
Madagascar	Sub-Saharan Africa	Low income	LDC	-	37	131	89	280	195	454	385	522
Malawi	Sub-Saharan Africa	Low income	LDC	58	1	210	218	210	301	27	351	131
Malaysia	East Asia and the Pacific	Upper-middle		-	-	-	-	0	-	-	0	12
Maldives	South Asia	Upper middle income	SIDS	5	35	19	2	2	148	83	2	112
Mali	Sub-Saharan Africa	Low income	LDC	-	9	104	94	144	102	9	50	494
Marshall Islands	East Asia and the Pacific	Upper middle income	SIDS	2	1	21	32	12	17	2	46	3
Mauritania	Sub-Saharan Africa	Lower middle income	LDC	-	6	-	11	39	56	31	4	52
Mauritius	Sub-Saharan Africa	Upper middle income	SIDS	9	-	-	1	-	81	-	-	247
Mexico	Latin America and the Caribbean	Upper middle income		330	277	1 211	1 193	1 006	575	1 277	497	1 112
Micronesia	East Asia and the Pacific	Lower middle income	SIDS	-	-	-	-	46	23	40	37	18
Moldova	Non-EU	Upper middle income		45	106	110	7	68	186	189	105	249
Mongolia	East Asia and the Pacific	Lower middle income		13	44	150	356	162	255	57	176	243
Montenegro	Non-EU	Upper middle income		62	1	68	25	7	13	12	23	70
Morocco	Middle East and North Africa	Lower middle income		914	729	668	1 057	927	842	916	1 620	1 195
Mozambique	Sub-Saharan Africa	Low income	LDC	111	51	55	224	408	312	397	693	706
Myanmar	East Asia and the Pacific	Lower middle income	LDC	81	107	212	178	90	574	14	-	11
Namibia	Sub-Saharan Africa	Upper middle income		-	-	58	46	5	82	20	55	199
Nepal	South Asia	Lower middle income	LDC	567	111	204	435	252	1 022	280	296	258
Nicaragua	Latin America and the Caribbean	Lower middle income		207	49	235	56	56	20	98	9	34
Niger	Sub-Saharan Africa	Low income	LDC	12	163	47	29	273	164	219	963	300

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Nigeria	Sub-Saharan Africa	Lower middle income		1	102	34	1 155	170	1 050	1 343	1 157	1 023
North Macedonia	Non-EU	Upper middle income		27	14	8	18	99	72	149	122	586
Pakistan	South Asia	Lower middle income		1 161	673	1 018	1 305	1 294	944	2 704	1 043	2 071
Panama	Latin America and the Caribbean	High income		112	25	350	171	67	140	128	643	489
Papua New Guinea	East Asia and the Pacific	Lower middle income	SIDS	36	6	127	8	25	22	84	193	5
Paraguay	Latin America and the Caribbean	Upper middle income		4	4	51	294	116	542	33	57	162
Peru	Latin America and the Caribbean	Upper middle income		85	309	306	201	203	287	571	1 476	1 124
Philippines	East Asia and the Pacific	Lower middle income		657	638	167	505	1 693	878	990	2 908	3 131
Romania	EU	High income		249	196	887	768	316	455	1 041	1 146	1 829
Russian Federation	Non-EU	Upper middle income		55	-	-	-	-	-	95	-	-
Rwanda	Sub-Saharan Africa	Low income	LDC	63	57	203	217	121	355	293	344	316
Samoa	East Asia and the Pacific	Lower middle income	SIDS	22	-	4	5	66	9	5	4	8
São Tomé and Príncipe	Sub-Saharan Africa	Lower middle income	Both	4	6	11	-	32	31	2	13	11
Senegal	Sub-Saharan Africa	Lower middle income	LDC	41	16	679	272	168	265	441	590	897
Serbia	Non-EU	Upper middle income		100	143	290	621	284	332	418	1 189	840
Sierra Leone	Sub-Saharan Africa	Low income	LDC	-	10	2	51	51	55	112	33	15
Solomon Islands	East Asia and the Pacific	Lower middle income	Both	-	10	36	10	101	17	6	74	31
Somalia	Sub-Saharan Africa	Low income	LDC	-	8	-	1	27	228	147	303	95
South Africa	Sub-Saharan Africa	Upper middle income		55	59	103	544	178	557	520	5	1 672
South Sudan	Sub-Saharan Africa	Low income	LDC	-	1	39	-	28	15	70	184	81
Sri Lanka	South Asia	Lower middle income		84	212	574	72	604	192	87	477	138
St Lucia	Latin America and the Caribbean	Upper middle income	SIDS	-	-	2	35	1	15	6	23	7
St Vincent and the Grenadines	Latin America and the Caribbean	Upper middle income	SIDS	-	-	9	-	11	10	13	20	11
Sudan	Sub-Saharan Africa	Low income	LDC	5	-	13	41	58	13	572	52	-

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Suriname	Latin America and the Caribbean	Upper middle income	SIDS	1	8	26	32	95	19	-	39	15
Syrian Arab Republic	Middle East and North Africa	Low income		-	-	-	-	1		-	-	-
Tajikistan	Central Asia	Lower middle income		149	34	232	192	116	214	150	210	85
Tanzania	Sub-Saharan Africa	Lower middle income	LDC	243	138	549	198	44	376	455	612	1 015
Thailand	East Asia and the Pacific	Upper middle income		176	91	130	533	97	76	316	269	468
Timor-Leste	East Asia and the Pacific	Lower middle income	Both	-	5	9	2	-	46	40	75	28
Togo	Sub-Saharan Africa	Low income	LDC	-	-	6	42	32	43	40	52	178
Tonga	East Asia and the Pacific	Upper middle income	SIDS	15	8	1	14	83	28	27	55	25
Tunisia	Middle East and North Africa	Lower middle income		19	96	387	265	427	90	192	298	528
Türkiye	Non-EU	Upper middle income		2 582	2 135	1 790	1 450	1 449	1 383	2 386	2 200	5 300
Turkmenistan	Central Asia	Upper middle income		1	1	6	5	-	4	2	-	-
Tuvalu	East Asia and the Pacific	Upper middle income	Both	7	3	1	10	26	13	3	62	32
Uganda	Sub-Saharan Africa	Low income	LDC	124	15	166	621	283	394	330	913	217
Ukraine	Non-EU	Lower middle income		940	865	833	519	1 115	1 192	1 128	461	784
Uzbekistan	Central Asia	Lower middle income		61	55	270	1 162	823	1 005	1 029	1 650	1 791
Vanuatu	East Asia and the Pacific	Lower middle income	SIDS	23	51	17	-	-	84	5	72	-
Venezuela	Latin America and the Caribbean	Not classified		-	-	-	-	-	-	-	1	0
Vietnam	East Asia and the Pacific	Lower middle income		385	1 211	862	210	445	510	523	327	104
West Bank and Gaza	Middle East and North Africa	Upper middle income		5	1	2	15	22	77	28	57	24
Yemen	Middle East and North Africa	Low income	LDC	-	-	-	78	131	23	169	246	131
Zambia	Sub-Saharan Africa	Lower middle income	LDC	68	20	140	113	81	45	20	56	211
Zimbabwe	Sub-Saharan Africa	Lower middle income		12	18	24	-	4	36	8	14	1

Table B.2. MDB climate finance in high-income economies for 2015-2023 (in $ million)

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Austria	EU	High income		1 101*	1 188*	852*	344*	397	870	453	389	776
Bahamas	Latin America and the Caribbean	High income	SIDS	1	1	44	100	4	218	143	148	382
Bahrain	Middle East and North Africa	High income	SIDS	-	-	-	-	-	-	32	-	50
Barbados	Latin America and the Caribbean	High income	SIDS	1	5	-	-	53	158	117	98	80
Belgium	EU	High income		427*	1 351*	689*	697*	587*	432*	1 344	1 653	1 786
Chile	Latin America and the Caribbean	High income		119	153	208	7	22	459	506	550	1 029
Cook Islands	East Asia and the Pacific	High income	SIDS	-	4	12	-	5	5	-	-	-
Croatia	EU	High income		174	16	68	311	36	134	281	268	332
Cyprus	EU	High income		22	27	46	34	45	91	9	56	118
Czechia	EU	High income		91	11*	144*	59*	620	498	733	1 091	1 628
Denmark	EU	High income		115*	2*	151*	175*	335	275	564	605	692
Estonia	EU	High income		47	89	5	8	10	182	89	19	287
Finland	EU	High income		420*	1 357*	639*	942*	284	258	575	340	409
France	EU	High income		4 185*	3 124*	4 461*	2 673*	3 669	4 895	6 971	6 160	7 384
Germany	EU	High income		1 669*	2 390*	1 768*	1 868*	1 711	3 160	2 181	4 310	5 657
Greece	EU	High income		216*	91	673	225	732	1 353	1 193	1 839	1 104
Guyana	Latin America and the Caribbean	High income	SIDS	1	7	2	15	15	-	31	276	36
Hungary	EU	High income		497	155	31	155	155	70	592	713	304
Iceland	EU	High income		-	189*	-	-	-	-	-	-	65
Ireland	EU	High income		188*	219*	148*	221*	144	449	262	540	855
Israel	Middle East and North Africa	High income		160	-	-	-	-	-	17	224	470
Italy	EU	High income		2 593*	2 437*	2 492*	1 964*	1 985	3 473	3 546	5 172	6 668
Latvia	EU	High income		247	2	86	-	102	2	68	128	94
Lithuania	EU	High income		183	215	95	157	30	559	131	114	215
Luxembourg	EU	High income		60*	3*	-	-	223	0	7	21	5
Malta	Middle East and North Africa	High income		-	-	-	-	1	0	-	7	32
Nauru	East Asia and the Pacific	High income	SIDS	-	-	3	62	22	-	-	15	-

Economy	Region	Income	LDC / SIDS	Total climate finance in reporting year, in $ million								
				2015	2016	2017	2018	2019	2020	2021	2022	2023
Netherlands	EU	High income		630*	465*	367*	913*	816	795	1 433	702	1 342
New Caledonia	East Asia and the Pacific	High income	SIDS	-	-	-	-	1	0	-	-	-
Norway	Non-EU	High income		-	6*	347*	74*	72	-	282	-	6
Oman	Middle East and North Africa	High income		-	-	-	-	264	-	-	1	-
Palau	East Asia and the Pacific	Upper-middle income	SIDS	-	-	-	2	-	8	1	2	-
Poland	EU	High income		1 189	1 806	1 562	1 286	2 095	2 790	3 190	3 294	3 808
Portugal	EU	High income		-	-	-	-	303	296	248	725	713
Seychelles	Sub-Saharan Africa	High income	SIDS	25	-	-	2	0	5	9	19	13
Singapore	East Asia and the Pacific	High income	SIDS	-	-	-	-	-	-	20	178	235
Sint Maarten (Dutch part)	Latin America and the Caribbean	High income	SIDS	-	-	-	-	118	55	25	44	80
Slovak Republic	EU	High income		302	87	53	281	143	36	74	99	336
Slovenia	EU	High income		154	18	47	1	93	6	46	122	354
Spain	EU	High income		1 973*	560*	1 876*	1 526*	2 561	3 259	4 498	5 621	6 979
Sweden	EU	High income		557*	417*	1 431*	1 038*	1 383	1 681	572	717	2 143
Switzerland	Europe & Central Asia	High income		-	6	-	-	2	-	-	-	24
Trinidad and Tobago	Latin America and the Caribbean	High income	SIDS	1	1	-	-	-	21	1	65	1
United Arab Emirates	Middle East and North Africa	High income		-	-	-	-	2	2	2	-	-
United Kingdom	Non-EU	High income		4 010*	3 272*	376*	255	179	-	-	-	-
Uruguay	Latin America and the Caribbean	High income		139	100	113	143	342	306	164	177	139

Table B.3. Climate finance in regional, global and multi-regional projects for 2015-2023 (in $ million)

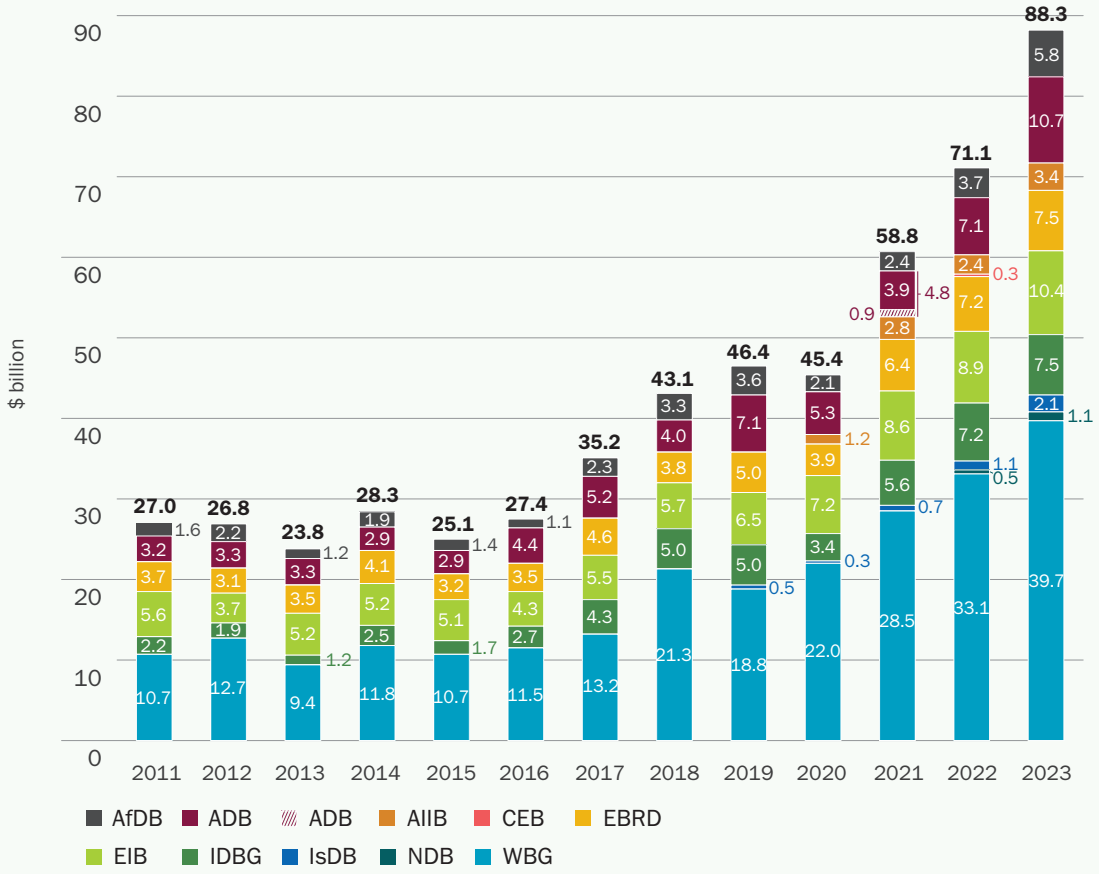
Economy	Region	Income	Total climate finance in reporting year, in $ million								
			2015	2016	2017	2018	2019	2020	2021	2022	2023
Regional	Regional	Regional	1 427	409	1 436	2 143	2 668	2 425	4 106	5 714	5 771
Global	Global	Global	169	77	-	-	103	145	188	179	516
Multi-regional	Multi-regional	Multi-regional	147	52	193	339	20	343	75	186	536

Note: Climate finance figures for Czechia were reported under the EU-12 region in the 2015 Joint Report on MDBs' Climate Finance and figures for Greece were reported under the EU-12 region starting from the 2016 edition of the report.

To facilitate comparability with data reported in previous years, Figure B.1 presents climate finance commitments for the period 2011-18 as in past reports, plus the columns for 2019-23 for the same set of economies. This includes both low- and middle-income economies, as well as high-income economies.

Note, however, that this figure is provided for **historical comparison only**. It only constitutes a sub-set of MDB climate finance for the 2019-2023 period, based on the reporting geography for the 2011-18 period, which were restricted to developing and emerging economies (see note 2 below).

Figure B.1. MDB climate finance commitments for 2011-23 (in $ billion)



Notes:

1. Annex B details the economies reported for previous years.
2. In past editions of the Joint Report on Multilateral Development Banks' Climate Finance, for the years 2011-18, EIB climate finance figures were restricted to developing and emerging economies in transition where other MDBs were operating and did not include other economies where only the EIB was operating and supported climate action.
3. In the years 2011-14, the numbers for the WBG included only IFC, IDA and IBRD, and IFC included short-term finance (such as trade finance). Since 2015, IFC has not included short-term finance when reporting its climate finance figures. MIGA finance has been included since 2015.
4. For ADB, External Resources under Management (ERUM) includes finance administered for other clients, including AIIB. ADB administers several AIIB projects, some of which have climate finance.
   For 2021, ADB's climate adaptation finance of $19 million and climate mitigation finance of $893 million from ADB-administered AIIB projects are reported under ERUM. As AIIB reports climate finance as a share of its financing for these projects under their own resources, thus the 2021 MDB totals have excluded these figures from ADB to avoid double-counting.
   During 2022, ADB's climate adaptation finance of $7 million and climate mitigation finance of $7 million from ADB-administered AIIB projects are reported under ERUM. This difference is not noticed in this graph as the amount equals $0.014 billion.
   During 2023, ADB's climate adaptation finance of $13 million from ADB-administered AIIB projects is reported under ERUM. This difference is not noticeable in this graph as the amount equals $0.013 billion.

ANNEX C
METHODOLOGIES AND DEFINITIONS

ANNEX C.1. DEFINITIONS AND CLARIFICATIONS

Avoiding double-counting: Where the same project, sub-project or project element contributes to mitigation *and* adaptation, an MDB's individual processes will determine which proportion is counted as mitigation or as adaptation, so that the actual financing will not be recorded more than once. Some MDBs report climate finance in projects where the same components or elements contribute to mitigation and adaptation simultaneously as a separate category. The MDBs are working on the best method for reporting projects where the same components or elements contribute to both mitigation and adaptation.

Conservativeness: Where data are unavailable, any uncertainty must be overcome by taking a conservative approach, where under-reported rather than over-reported climate finance is preferable.

Financing instruments: This report accounts for climate finance through the largest and most relevant development finance instruments of MDBs, including grants, loans, guarantees, equity, and performance-based instruments.

Granularity: MDBs report climate finance by taking only those components and/or sub-components or elements or proportions of projects with activities that contribute directly to or promote climate change adaptation and/or mitigation.

Investments and technical assistance (TA): Refers to vehicles that MDBs use to channel specific investments to finance capital and recurrent expenditures for goods and services, as well as to specialised advisory services and capacity-building initiatives.

MDB-managed external resources: Refers to the volume of operations supported by bilateral institutions through dedicated climate finance entities such as the GEF and CIF, or other donor funds such as EU blending facilities, which may also be reported to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) by contributor countries.

Point of reporting: Data reported herein reflect financial commitments at the time of board approval or financial agreement signature and is therefore based on prior estimations. All efforts have been made to prevent double-counting. No revisions will be issued in cases where a project's scope changes later to either increase or decrease climate financing.

Private direct mobilisation: Financing from a private entity on commercial terms due to the active and direct involvement of an MDB leading to commitment. Evidence of active and direct involvement includes mandate letters, fees linked to financial commitment or other valid or auditable evidence of an MDB's active and direct role leading to commitments by private financiers. Private direct mobilisation does not include sponsor financing.

Private indirect mobilisation: Financing from private entities supplied in connection with a specific activity for which an MDB is providing financing, where no MDB is playing an active or direct role that leads to the commitment of the private entity's finance. Private indirect mobilisation includes sponsor financing if the sponsor qualifies as a private entity.

Public and private sector operations: This determination is based on the status of the first recipient or borrower of MDB finance. The first recipient or borrower is considered to be public when at least 50% of the stakes or shares of the recipient or borrower are publicly owned.

Public direct mobilisation: Financing from a public entity due to the active and direct involvement of an MDB leading to commitment. Evidence of active and direct involvement includes mandate letters or other valid or auditable evidence of an MDB's active and direct role. The main difference between external resources under MDB management (ERUM) and public direct mobilisation is the disbursement which under public direct mobilisation goes directly from a public entity to the beneficiary.

Recipient or borrower: Refers to the first borrower or beneficiary to whom finance will flow directly. The MDBs acknowledge that this classification is neither simple nor straightforward and that the characteristics of the first recipient or borrower may not be the same as those of the final beneficiary or borrower. An example would be a loan to a national development bank (the first recipient) for energy efficiency in small and medium-sized enterprises (the final beneficiaries). Operations through public-private partnerships (PPPs) add another layer of complexity to this classification.

Reporting period: This report's data cover the fiscal year 2023. Even though MDBs do not follow the same reporting cycle, data remain comparable across MDBs as all reporting cycles correspond to a 12-month period.

Resources covered: These include MDBs' own accounts as well as a range of external resources managed by the MDBs and various sources of co-financing.

Values of zero and "—": Reporting is complete for all fields and tables. A value of 0 in a table means that the value is below $0.5 million while a "—" means that no amount was reported. As all financial figures are rounded to the nearest $ million, calculations contained in a table may vary slightly and may not always add up to 100% or to the total shown.

ANNEX C.2. JOINT METHODOLOGY FOR TRACKING CLIMATE CHANGE ADAPTATION FINANCE

Introduction

Between 2021 and 2022, the MDBs carried out a review of the joint MDB methodology for tracking adaptation finance, which aimed to better characterise adaptation activities and to provide guidance on the application of the joint methodology in a broader range of financing instruments.

The outcome of this review, agreed at COP27 among all MDBs, was an updated methodology to be applied from 2023 that reflects the evolving understanding of adaptation and climate resilience and advances made in the fields of adaptation finance. In this context, the present report does not reflect the tracking of adaptation finance based on the updated methodology.

Background and guiding principles

Climate resilience and adaptation are intrinsically linked to development. This makes it challenging to accurately estimate adaptation finance elements in development operations. In response to this challenge, the joint MDB Working Group on Climate Finance Tracking applies a common adaptation finance tracking methodology to identify within the development operations of MDBs those specific adaptation activities (or, in other words, the differentiating elements of development operations) that are carried out in response to perceived or expected climate change impacts. The methodology applies a context-specific, location-specific and granular approach, and estimations are made conservatively to reduce scope for over-reporting of adaptation finance.

The MDB adaptation finance tracking methodology considers the sub-project level or project-element level to be appropriate. The joint MDB approach also seeks to identify the links between adaptation activities and the project's explicit intent to reduce vulnerability to climate change. Thus, the volume of MDB-reported adaptation finance is an estimation of total project finance for specific project activities that contribute to overall project outcomes in the process of adapting to climate change.

It is important to note that the MDBs' estimated climate finance may not express the full value of project finance that contributes to climate resilience. For instance, the granular approach would capture financing for improved drainage of a newly constructed road to withstand heavy rainfall or storm surges that in turn contributes to the overall resilience of the road and the investment. The granular approach does not capture the value of the entire project or investment that may increase resilience due to specific adaptation activities within the project. In addition, some activities without associated incremental costs, such as operational procedures to ensure business continuity or the practice of siting assets outside the range of a future storm surge, may not be tracked in quantitative terms.

MDB methodology and MDB-IDFC common principles

MDBs and the International Development Finance Club (IDFC) are fully committed to promoting and supporting climate-resilient development as an essential part of the sustainability of their investments. With this shared commitment, MDBs and the IDFC work together towards improved definitions and understanding of the different approaches and principles for tracking climate change adaptation finance.

As a result, in July 2015 these institutions agreed on the Common Principles for Climate Change Adaptation Finance Tracking. The principles establish the parameters with which to identify and estimate the volume of adaptation finance in MDB and IDFC operations. They also form the basis for further joint work to increase the comparability of reported figures on climate adaptation finance and to harmonise key concepts related to reporting guidelines and processes. MDBs and the IDFC are currently developing additional metrics to identify and report on climate resilience in their development operations.

Application of the adaptation finance tracking methodology

The MDB methodology on adaptation finance tracking consists of the following three key steps:

1. Setting out the climate change vulnerability context of the project.
2. Making an explicit statement of intent of the project to reduce climate change vulnerability.
3. Articulating a clear and direct link between specific project activities and the project's objective to reduce vulnerability to climate change.

The identification and estimation of adaptation finance is limited solely to those project activities (that is, projects, project components, or elements or proportions of projects) that are clearly linked to the climate change vulnerability context.

Step 1. Context of vulnerability to climate change

For a project to be considered as contributing to adaptation, the context of climate change vulnerability must first be set out clearly using a robust evidence base. Project documents may refer to existing analyses and reports or to original, bespoke assessments of climate change vulnerability, such as those carried out as part of project preparation. Good practice in the use of existing analyses or reports includes citing authoritative, preferably peer-reviewed sources, such as academic journals, national communications to the UNFCCC, Nationally Determined Contributions (NDCs), reports of the Intergovernmental Panel on Climate Change, or strategic programmes for climate resilience.

Good practice in conducting original, bespoke analysis entails the use of information from trusted sources, which document the vulnerability of communities, physical assets or ecosystems to climate change as well as the use of recent climate trends including any departures from historic means. These may be combined with climate change projections drawn from a range of climate change models, with high and low greenhouse gas emission scenarios, to explore the full array of projected outcomes and uncertainties. Climate projection uncertainties should be presented and

interpreted in a transparent way. The timescale of projected climate change impacts should match the intended lifespan of the assets and systems being financed through the project (for example, a time horizon of 2030, 2050, 2080, and so on).

Step 2. Statement of purpose or intent

Once a project's context of vulnerability to climate change has been established, the project should set out the explicit intention to address the context-specific and location-specific climate change vulnerabilities in response to the project's climate vulnerability assessment. This is an important step to distinguish between a development project contributing to climate change adaptation and a standard development project.

The methodology is flexible about the location and form of this statement of intent in the document, as long as the MDB is able to record and track the rationale for each adaptation element linked to the climate change vulnerability context described. MDB projects with adaptation finance usually state – in final technical documents, documents for board approval, internal memos or other associated project documents – the intention to reduce vulnerability.

Step 3. Clear and direct link between climate change vulnerability and project activities

In line with the principles of the overall MDB climate finance tracking methodology, adaptation finance estimations consider only the finance allocated to specific project activities that are clearly linked to the project's climate change vulnerability context.

Where climate change adaptation activities are planned in projects that have additional objectives, adaptation finance tracking takes into account the estimated incremental cost or investment associated with such discrete project components – or elements of project design – that address risks and vulnerabilities under conditions of current and future climate change, and compares these with a project design that does not consider such conditions.

When it is not possible to estimate *incremental* cost or investment directly from project budgets – for example, when using policy instruments or balance-sheet lending, equity investments or credit-line lending through financial intermediaries – a proportion of the project cost or investment corresponding to adaptation activities may be used to represent the incremental amount.

Table 1 in Annex B of the *2016 Joint Report on Multilateral Development Bank's Climate Finance*[26] provides a list of examples illustrating sector-specific and subsector-specific adaptation activities in which MDB adaptation finance may be identified. The list is not meant to be exhaustive, nor is it intended for application as a positive list. It is for illustrative purposes only. Any adaptation finance that is identified needs to be substantiated through the application of the three-step process described above.

For an illustration of how the MDB adaptation finance tracking methodology is applied to development operations, see Tables C.2.1 to C.2.4

Adaptation finance tracking among development finance institutions

A growing number of institutions and initiatives work on the methodologies for tracking climate adaptation finance and make increasing efforts to harmonise these approaches. The MDB-IDFC common principles result from such joint work. These institutions continue their efforts for greater harmonisation, comparability and transparency of their reported climate finance. In addition, the OECD, which designed and applies the OECD-DAC Rio Markers, recommends the MDB

26 www.ebrd.com/2016-joint-report-on-mdbs-climate-finance.pdf

methodology's three-step approach to tracking climate adaptation finance as a "best practice." The OECD's efforts have resulted in improved guidance for tracking bilateral official development assistance (ODA) targeting climate change adaptation.

The review of the adaptation finance tracking aims to take stock of recent developments in the field of adaptation finance, MDBs' efforts to support climate adaptation and resilience through a wide range of sectors beyond traditional infrastructure sectors, and the increasing diversity of financial procedures that are used to support adaptation and resilience. This review complements ongoing efforts by MDBs to enhance the robustness and transparency of climate finance tracking and support climate action, in line with the objectives of the Paris Agreement.

Table C.2.1. Case study #1 of tracking adaptation finance in projects

Project focus	Climate-Resilient Cashmere Value Chain
Sector	Agriculture, natural resources and rural development
Brief description of project	The project will support the climate resilience of cashmere herders. It will promote sustainable cashmere procurement and production and advance standard setting on traceability across the cashmere value chain. It will scale up sustainable cashmere sourcing and production in the country through the following outputs: (i) increasing procurement of resilient cashmere raw material; (ii) enhancing local economy in a gender-inclusive manner; and (iii) improving herders' farming practices, financial and gender equality. The project will use loan structuring through a sustainability-linked loan, which will lower the loan margin if predetermined sustainability key performance indicators (KPIs) are achieved. These include: 1. Direct procurement from herders: Direct procurement from herders, rather than via intermediaries, will enable quality and timeliness of company's support to herders such as through providing winter hay, improving goat genetics and animal health, and training in cashmere preparation. 2. Corporate sustainability targets: Environmental sustainability targets which include energy consumption and water conservation. 3. Pasture management training: The company participates in the design of pasture management training that will be delivered and provides supplementary training in pasture management to herders. The technical assistance will complement the loan by applying an innovative prototyping approach to determine scalable pasture and herd management solutions that improve the sustainability and climate resilience of herder groups; (ii) the training of all participating herder families in general pasture management and financial literacy; and (iii) the development of a predictive climate model to inform herder activities and pasture management.
Climate vulnerability context	The country is highly exposed to climate change risks and disasters triggered by natural hazards. Cashmere herders, who have minimal adaptive capacity, are experiencing heatwaves, droughts and flooding associated with climate change. When combined with inadequate pasture management and overgrazing, these climate change impacts are likely to exacerbate pasture degradation and lead to earlier onset of desertification.
Statement of purpose or intent to reduce climate vulnerability	Type 2/3 activities: The project aims to directly reduce physical climate risk and build the adaptive capacity of the system.
Project activities linked to reducing climate vulnerability	Type 3 activities: 1. Support for sustainable livestock management, including pastureland management, livestock quality and health to withstand exposure to climate risks. 2. Training to improve financial literacy and budget management to implement climate-resilient practices. 3. Development of a high-resolution predictive climate model to help inform herder group activities including fodder growth and preparation of winter hay.
Type of financial instrument	Investment loan, equity, and technical assistance (TA).
Estimation of total adaptation finance (amount and percentage)	The total project cost is $49 million, of which a $30 million loan from MDB and $19 million as equity or internally generated funds. A $1 million technical assistance component complements the loan. The $30 million loan and $1 million technical assistance are counted as adaptation finance (62%).

Table.C.2.2. Case study #2 of tracking adaptation finance in projects

Project focus	Coastal Erosion Protection Project
Sector	Coastal and riverine infrastructure
Brief description of project	This project is focused on protecting the coast from erosion by constructing a detached and continuous 14 km breakwater along a significant trade and traffic corridor in the sub-region. The primary objective of the project is to enhance the resilience of infrastructure and communities in the coastal zone. The project aims to achieve this by building breakwaters and improving access to basic social infrastructure. Upon completion of the project, the expected results include reducing coastal erosion to less than a metre/year, reducing recurring investment in coastal protection by 90%, and increasing state revenue by 20% due to increased economic activities along the coastal locations.
Climate vulnerability context	The country is highly susceptible to natural disasters such as flooding, coastal surges, storms and coastal erosion. Coastal flooding is a recurring issue that negatively impacts the population, the environment and the economy. Over the past two decades, severe events on the coast have caused marine submersion in 2008, 2012, 2015 and 2018. The coastline has been significantly eroded by wave action and man-made developments near the sea and on rivers. The erosion of the coastline is being worsened by the rapid impact of climate change, sea level rise, the failure to account for erosion in the country's overall urban planning, and the continued pollution of the coastline in various forms. The project's location climate change risks assessment identified high risks in rising temperature, increased precipitation/rainfall, flooding, and sea level rise. The estimated effects of coastal erosion in the project area are considerable. The coastline is estimated to erode at an average of 10 m/year over a distance of 30 km.
Statement of purpose or intent to reduce climate vulnerability	The main goal of the project is to improve the resilience of infrastructure and communities along the coastal zone. This will be achieved through the development of submersible breakwaters and by enhancing access to basic social infrastructure. This initiative is part of the country's efforts to increase its overall resilience against climate-related risks, which was outlined in its Nationally Determined Contributions submitted to the UNFCCC. Furthermore, this investment is aligned with the country's Master Plan for Coastal Development, which considers the accessibility of the fishing port, the lake, and the safety factor required in areas designated for tourists. By doing so, this investment will help to reduce the underlying causes of vulnerability to climate change at the systemic level, as well as associated barriers to adaptation (type 3 adaptation activity).
Project activities linked to reducing climate vulnerability	The Coastal Erosion Protection Project is a response to addressing the risks posed by a rapidly changing climate especially the risk of coastal erosion and flooding being experienced in the project location. To address these risks, the projects will be financing these components: Detached continuous breakwaters as a climate adaptation measure against incessant coastal erosion and surge. The technical design of coastal protection works includes the construction of a low-crested detached breakwater to slow down the advancement of the sea. The length of the continuous breakwater is almost 14 km from PK11 to PK25. The location of the detached breakwater is almost at the level of the seabed, that is, -2.00 m from the sea level, and the level of the crest of this same breakwater is +1.00 m from the sea level. These structural works will help stabilise the coastline along the coast parallel to a major regional transport corridor. The low-crested breakwaters are offshore, vertical concrete walls designed to reduce the erosive power of waves out at sea so that once they reach the shore, the wave energy is reduced. Specifically, offshore breakwater systems proposed in this project aim to provide shoreline protection by intercepting incoming waves and creating stable pocket beaches between the fixed stone structures. They also protect the eroding coastline, lower upland migratory pressure and enable natural marsh areas to grow, thus increasing the resilience of the coastline against climate risks, namely coastal erosion and flooding. The design was created based on various studies and analyses, including marine numerical modelling, data analysis for wind, sea wave climate, water level, wave propagation, sediment transport, coastal evolution, and hydrodynamic and flushing modelling. These were used to determine operational and extreme wave weather conditions and extreme weather events for return periods of 1, 10, 50 and 100 years. Given the country's distinctive coastline, low-crested breakwaters have certain advantages. These structures are designed to cause wave breakage while allowing some wave transmission, which results in a milder wave climate downwind of the breakwater. Additionally, the sediment transport capacity behind the breakwater decreases, leading to sand accumulation. Overflowing water generates good water circulation behind the breakwater. In fact, low-crested breakwaters are very similar to natural reefs and are known to attract fish, making them popular with fishermen.
Type of financial instrument	Investment loan
Estimation of total adaptation finance (amount and percentage)	As a type 3 adaptation activity, this project received 100% climate adaptation finance, resulting in a total of approximately €130 million.

Table C.2.3. Case study #3 of tracking adaptation finance in projects

Project focus	Expanding access to affordable and climate-resilient broadband connectivity and improving adoption of online government services and electronic medical records
Sector	Digital development
Brief description of project	Through the integration of climate risk considerations in infrastructure investments in broadband network and connectivity, with an aim to ensure continuity in the event of climate-related shocks, the operation supports climate-resilient digital development investments in a highly vulnerable region.
Climate vulnerability context	Given the country's high exposure to coastal erosion and high vulnerability to climate and disaster risks, predominantly floods, droughts and fires, enhancing resilience, including by leveraging digital technologies, is critical. Such events are likely to increase in both frequency and intensity due to climate change, affecting agricultural productivity and household wellbeing, particularly of the poorest population groups. High vulnerability to climate change is further aggravated by low readiness to face these impacts.
Statement of purpose or intent to reduce climate vulnerability	The project areas in the centre and south of the country, targeted by interventions to improve last-mile connectivity, are particularly vulnerable to flooding and droughts. Climate-related disasters are increasing pressure on infrastructure, broadband connectivity and data infrastructure, and public services. In this context, investments in climate-smart digital infrastructure and the transition towards economy-wide digitalisation will be key drivers of improved resilience and adaptation. This includes reduced vulnerability and greater ability to respond to shocks through enhanced and uninterrupted digital access to basic services and public assistance in times of emergencies.
Project activities linked to reducing climate vulnerability	• Climate risk assessment of digital infrastructure and implementation of standards for natural disaster resilience (Type 1). • Ensuring service resilience to climate change-induced disruptions, and technical assistance on the applications of digital ID for natural disaster response (Type 2). • Training to rural, climate-vulnerable beneficiaries on leveraging innovative digital tools and services as an adaptation mechanism in the event of climate shocks (Type 2).
Type of financial instrument	Investment loan
Estimation of total adaptation finance (amount and percentage)	Total adaptation finance was estimated at $9.71 million, equivalent to 6.47%. Adaptation finance was estimated using a proportional approach.

Table C.2.4. Case study #4 of tracking adaptation finance in projects

Project	Resilience in Education
Sector(s)	Social
Brief description of project	The programme seeks to address equity in access to education in the arid and semi-arid lands in east African nations and to address barriers to education such as poverty and migration exacerbated by climate change impacts. The objective of the programme is to increase access to quality education, skills development, and employability for out-of-school children (OOSC) (6-17 years old) and young people (18-35 years old) in arid and semi-arid land areas in the project country.
Climate vulnerability context	The target geographic areas in the project country are extremely vulnerable to the impacts of climate change, among others, increasing high temperatures, droughts and erratic rainfall patterns. The areas have been experiencing severe droughts during the last decade, contributing to immense loss of livelihoods, and have led to over 4.2 million people experiencing severe food insecurity. It is observed that in the project target area, droughts are becoming more intense and frequent with shorter cycles – one in three years compared to one in a decade in the 1970s and 1980s. Communities in the target area are largely dependent on climate-sensitive resources such as land and water for sustenance. Food insecurity is exacerbated by overreliance on rain-fed agriculture and inadequate use of technology. Droughts and inadequate access to water and pasture affect livestock, which is the key source of livelihood. Communities often migrate in search of water and pasture, and this affects continuity of learning. The migration driven by the impact of drought has a direct impact on children's learning as they are not able to stay in one school or area for a long period of time. Lack of adequate food and nutrition also affects the children's optimal growth and capacity to learn. The client government therefore decided to urgently address these issues.
Statement of purpose or intent to reduce climate vulnerability	The programme seeks to address equity in access to education in the arid and semi-arid lands of the country and to address barriers to education such as poverty and migration exacerbated by climate change impacts.

Project	Resilience in Education
Project activities linked to reducing climate vulnerability	The project aims to enhance the resilience and adaptive capacity of communities to cope with the impacts of drought, among others, through establishment of climate-resilient water infrastructure, promotion of alternative sources of income and adoption of climate-smart agricultural practices. Through project interventions, it is expected that food and water supply will increase, thus reducing migration and poverty and thereby increase enrolment and retention of 30 200 out-of-school children (OOSC); about 3 000 unemployed youth will benefit from skills development through TVET and entrepreneurship training (including climate-responsive and green businesses); 6 000 women will be concerned by income-generating activities; 20 teachers by housing; and general job creation will concern 10 000 people. The project activities include: measures to enable and facilitate access, equity and retention of 30 200 out-of-school children in basic education; provision of clean food storage silos and energy-saving stoves to the 20 schools; climate-smart water and sanitation infrastructure in schools (drill and equip 12 solarised boreholes and provide elevated water tanks in 12 schools; establish 12 water kiosks with treatment facilities to provide water to communities neighbouring the schools; supply 12 solar-enabled small tracks bowsers to supply water from the 12 boreholes to schools and communities living within a radius of 20 km; construct cattle troughs in strategic locations; skills development and employment for 3 000 young people). Further, the project will promote food security and boost the agricultural potential of the beneficiary schools and communities, using the boreholes and construction of ponds to scale up micro-irrigation and provide agricultural input such as seeds and fertiliser to 6 000 household heads, grow tree cover and provide fodder for animals and briquettes.
Type of financial instrument	Investment loan
Estimation of total adaptation finance (amount and percentage)	The total project cost is $17 million fully financed from the MDB core resource, of which $11 million (66%) is attributed to climate finance. Climate finance is linked to components of the project activities enabling adaptation by removing barriers to school attendance and adopting a proportional approach.

ANNEX C.3. JOINT METHODOLOGY FOR TRACKING CLIMATE MITIGATION FINANCE

For MDB finance to qualify as climate mitigation finance, the MDBs apply the *Common Principles for Climate Mitigation Finance Tracking*[27] to validate their investment as mitigation finance (the *2021 update of the Mitigation Common Principles* was used to track all MDB mitigation finance in this report). These common principles have been designed for use in ex-ante assessments, focusing on the type of activity financed, and not on its purpose or the origin of the financial resources. The list of eligible activities is presented by sector. Policy actions, technical assistance and programmes in support of the eligible activities are also eligible, provided that the link to eligible activities is clear or sufficiently demonstrated.[28] The results of the assessments are applied for reporting of the climate change mitigation finance in the *Joint Report on the Multilateral Development Banks' Climate Finance*.

The common principles recognise that a substantial contribution to climate change mitigation can involve the following three categories of climate change mitigation activities:

i. Negative or very low-emission activities, which result in negative, zero or very low greenhouse gas emissions and are fully consistent with the long-term temperature goal of the Paris Agreement, such as carbon sequestration in land use or some forms of renewable energy.
ii. Transitional activities, which are still part of systems emitting material greenhouse gases but are important for and contribute to the transition towards a climate-neutral economy, such as energy efficiency improvement in manufacturing that directly or indirectly uses fossil fuels.
iii. Enabling activities, which are instrumental in enabling other activities to make a substantial contribution to climate change mitigation, such as manufacture of very low-emission technologies.

27 https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf

28 Each eligible activity is understood to include policy actions, technical assistance and programmes carried out in its support, which are not listed separately. Only policy actions, technical assistance and programmes that cannot be directly linked to eligible activities described elsewhere are listed separately.

On 18 October 2021 the MDBs and IDFC published a new version of the common principles. This new version of the common principles, including the list of eligible activities, was developed over a period of two years, taking the following two aspects in particular into account:

i. Consideration of new mitigation activities that are required in order to achieve the structural changes in the economy pointed out by the IPCC as necessary to achieve the goals of the Paris Agreement.

ii. Identification of activities that, despite reducing greenhouse gas emissions in the short term, risk a long-term lock-in of emissive technologies, thereby undermining the long-term temperature goal of the Paris Agreement. Such activities cannot be considered as climate mitigation finance.

The MDBs and IDFC have since provided an update to the mitigation finance tracking common principles, containing minor updates and clarifications, which will start to apply during the next reporting year.

A major review of the methodology is planned within five years of the publication of the new version of the common principles, whilst minor amendments may be made on a more regular basis. These reviews will account for technology developments that may enable deeper decarbonisation of economic activities. Thus, the current list includes some activities that may not be eligible in the future as the transition to an economy with net-zero greenhouse gas emissions progresses.

Please see full list of the common principles and list of eligible activities:
https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf

Table C.3.1. Case study #1 of tracking mitigation finance in projects

Project focus	Production of 100% silicon anodes to be used in rechargeable batteries
Sector	Manufacturing
Brief description of project	The project financed the construction of a plant for the production of 100% silicon anodes to be used in batteries for electric vehicles (EVs). Such anodes have lower carbon footprint, increased energy density and reduce the charging time of batteries, compared to traditional graphite-based anodes.
Classification (as per Common Principles for Climate Mitigation Finance Tracking): (1) Sector (according to Tables 2-12 of the common principles) (2) Category (3) Eligible activity	(1) Manufacturing (2) Support low-carbon development (3) Projects that support production of components, equipment or infrastructure dedicated exclusively to utilisation in renewable energy, energy efficiency improvement, or other low-carbon technologies.
Type of financial instrument	Equity investment
Calculation of mitigation finance, including basis (for example, eligible components)	100% climate mitigation finance: the project supports the manufacturing of innovative components for batteries to be used in electric vehicles.
Type of mitigation finance (own resources, co-finance)	Co-finance with own resources.

Table C.3.2. Case study #2 of tracking mitigation finance in projects

Project focus	Production of specialised submarine cables for the connection of offshore renewable energy plants to the mainland grids
Sector	Electrical equipment, appliance and component manufacturing
Brief description of project	The loan will enable the company to expand its manufacturing capacity for the production of deep sea underwater cables used for the interconnection of islands and offshore wind projects, as well as to finance the company's working capital needs and R&D activity.
Classification (as per Common Principles for Climate Mitigation Finance Tracking): (1) Sector (according to Tables 2-12 of the common principles) (2) Category (3) Eligible activity	(1) Manufacturing. (2) Support for low-carbon development. (3) Projects that support production of components, equipment or infrastructure dedicated exclusively to utilisation in renewable energy, energy efficiency improvement, or other low-carbon technologies.
Type of financial instrument	Investment loan
Calculation of mitigation finance, including basis (for example, eligible components)	The total amount of €65 million provided by the MDB is counted as climate mitigation finance. Mitigation outcomes have been embedded with the following activities: • Enable the connection of 800 – 1 500 MW of new renewable energy capacity every year. • Reduce CO_2e emissions by 270 tnCO_2e/y. • Increase the capacity of the plant to recycle aluminium and copper by 300 tn/y and 1 340 tn/y respectively.
Type of mitigation finance (own resources, co-finance)	MDB own account

Table C.3.3. Case study #3 of tracking mitigation finance in projects

Project focus	Accelerating the development of low-carbon energy
Sector	Energy and extractives
Brief description of project	The operation aims to strengthen the enabling policies and regulations to promote green hydrogen, to scale up additional sources of renewable energy (RE), to enhance climate finance for further investments in low-carbon energy, including from the private sector, and to support the launch of a carbon market.
Classification (as per Common Principles for Climate Mitigation Finance Tracking): (1) Sector (according to Tables 2-12 of the common principles) (2) Category (3) Eligible activity	Policy support and technical assistance for low-carbon development Policy support and technical assistance for climate change mitigation Transportation of electricity Energy storage and network stability Support for climate change mitigation
Type of financial instrument	Development policy loan and IDA credit

Project focus	Accelerating the development of low-carbon energy
Calculation of mitigation finance, including basis (for example, eligible components)	The total amount of $1.5 billion provided by the MDB is counted as climate mitigation finance, as it finances the following activities: • Providing incentives for electrolyser manufacturing, and green hydrogen production and consumption. • Extending the waiver of the inter-state transmission system charges for renewable energy power supply. • Scaling up use of renewable energy and the energy storage obligations that mandate a specified share of power consumed by renewable energy. • Scaling up RE penetration through mandating the purchase of renewable energy and energy storage. • Supporting the remuneration of energy storage services and guidelines on pumped storage projects for expanding the storage capacity for further integration of renewable energy. • Issuing bids for renewable energy. • Supporting a strategy to develop offshore wind; • Providing incentives to further scale up solar energy. • Establishing a carbon market. • Increasing the budget for green spending that focuses on climate mitigation investments.
Type of mitigation finance (own resources, co-finance)	MDB own account

Table C.3.4. Case study #4 of tracking mitigation finance in projects

Project focus	Renewable energy and battery energy storage systems
Sector	Energy
Brief description of project	The project is structured as sustainability-linked financing to support part of the company's decarbonisation plan away from coal through releveraging new and existing renewable energy assets, consisting of solar photovoltaic and battery energy storage systems. This is an MDB sustainability-linked loan which will contribute to the supply of clean energy. The project will improve efficiency, provide greater security of supply and help to mitigate the intermittency of renewable generation through the implementation of battery energy storage technology.
Classification (as per Common Principles for Climate Mitigation Finance Tracking : (1) Sector (according to Tables 2-12 of the common principles) (2) Category (3) Eligible activity	(1) Energy. (2) Renewable energy generation. (3) Generation of renewable energy with low lifecycle greenhouse gas emissions to supply electricity, heating, mechanical energy and cooling.
Type of financial instrument	Investment loan (sustainability-linked loan)
Calculation of mitigation finance, including basis (for example, eligible components)	The loan has been structured with a specific sustainable performance objective for the decommissioning or reconversion of the company's remaining coal generation assets, contributing to climate change mitigation by reducing greenhouse gas emissions by more than 800 000 tonnes of CO_2e per year. The loan includes $200 million from the MDB, $114.5 million from investors under the MDB's Managed Co-lending Portfolio Program and $35.5 million from an SDG-focused investor under the MDB's mobilisation programme. An additional $50 million parallel loan was arranged by the MDB to complete a total financing package of $400 million. The climate mitigation finance share of the project is 100%.
Type of mitigation finance (own resources, co-finance)	MDB own account and mobilisation.

ANNEX C.4. FINANCE THAT BENEFITS BOTH ADAPTATION AND MITIGATION

The MDBs identify some components and/or sub-components, or elements or proportions of projects, which help to reduce greenhouse gas emissions while also reducing climate vulnerability, thereby delivering dual benefits of mitigation and adaptation. Where the same project, sub-project or project element contributes to both mitigation and adaptation, the MDB's internal processes will determine which proportions to count as mitigation or as adaptation so that the actual financing will not be double-counted. Some MDBs report projects where the same components or elements or proportions contribute to both mitigation and adaptation as a separate category (see Table C.4.1). The MDBs work continuously to improve work on the best reporting method for such projects.

For 2023, AfDB, AIIB, EBRD and IDBG have tracked dual-benefit figures separately, while other MDBs have split the dual-benefit finance between adaptation and mitigation, according to their internal systems. There is no double-counting in either approach. Table C.4.2 provides greater detail on the instrument types used in adaptation, mitigation and dual-benefit finance.

Table C.4.1. MDB adaptation, mitigation and dual-benefit climate finance (in $ million)

MDB	Adaptation finance	Mitigation finance	Dual-benefit finance	Total
AfDB	2 053	2 796	999	5 849
AIIB	331	3 093	10	3 434
EBRD	248	6 844	371	7 464
IDBG	1 459	4 513	1 573	7 545
IsDB	405	1 385	308	2 098
TOTAL	**4 497**	**18 632**	**3 261**	**26 390**

Table C.4.2. MDB adaptation, mitigation and dual-benefit climate finance, by instrument type (in $ million)

Instrument type	Adaptation finance	Mitigation finance	Dual-benefit finance	Total
Investment loan	17 388	68 805	1 407	87 599
Policy-based financing	2 868	7 917	983	11 768
Grant	2 595	2 361	41	4 997
Guarantee	386	5 994	521	6 901
Equity	64	1 927	17	2 007
Line of credit	263	6 135	38	6 437
Results-based financing	1 704	2 553	0	4 257
Other	82	689	255	1 027
Total	**25 336***	**96 368**	**3 261**	**124 966***

(*) See footnote 1 for Figures 1a and 1b.

Table C.4.3. Case study #1 of tracking a dual-benefit project

Project focus	Regional food security value chain development
Sector	Agriculture/food security
Brief description of project	The project, through integrated support for cassava, yam and sweet potato sub-sector value chains, aims to enhance food and nutrition security, promote economic diversification and growth, create sustainable employment opportunities and improve household incomes in multiple countries in West Africa. The project adopts a holistic and demand-driven approach to strengthen research and the capacity of public and private institutions responsible for technology development, extension services and training; promote improved agricultural mechanisation technologies; strengthen post-harvest management, sub-product development and value addition; promote commercialisation; strengthen agriculture-related policy and coordination; and strengthen access to financial services and the availability and accessibility of robust data along value chains. A central theme of the project is increasing food system resilience to climate changes, including shifting rainfall patterns.
Classification: (1) mitigation and (2) adaptation finance	Adaptation: Climate-smart agriculture; Irrigation; Crop research and development; Weather information and early warning. Mitigation: Energy – greenhouse gas reduction through biomaterial production; Waste – Recovery and recycling of bio-waste; Agriculture – Carbon sequestration (MDB Common Principles for Mitigation Climate Finance categories).
Calculation of climate finance, including the basis (for example, eligible components)	Total project value = $63.3 million Total climate finance = $24.1 million (38% of total project cost) Adaptation finance components • Drought and heat-tolerant high-yielding crop varieties – research, access and dissemination. • Small-scale irrigation infrastructure. • Farmer access to climate information and extension services. Mitigation finance components • Waste biogas generation. • Reducing natural biomass fuel demand.
Type of financial instrument	Investment loan
Type of finance (own account, co-finance)	MDB own account

ANNEX C.5. TYPES OF INSTRUMENTS

a) **Advisory services:** MDB advisory services include advising national and local governments as well as private sector players on a variety of topics, for instance how to improve their investment climate and strengthen basic infrastructure. The MDB tracks and reports the costs of managing advisory programmes, which may consist of staff time, studies, and training with clients. Similar to investments, some programmes are 100% climate-related and some have a climate component tracked in the overall programme budget.

b) **Equity:** Ownership interest in an enterprise that represents a claim on the assets of the entity in proportion to the number and class of shares owned.

c) **Grants:** Transfers made in cash, goods or services for which no repayment is required. Grants are provided for investment support, policy-based support and/or technical assistance and advice.

d) **Bond:** A type of bond, the issuance of which is done by a client and supported by an MDB, where the proceeds are applied exclusively to financing or refinancing, in part or in full, new and/or existing climate projects.

   Only the percentage of proceeds that are used for activities included in the joint MDB methodology for tracking climate finance count as climate finance.

e) **Guarantees:** Guarantees are instruments provided by an MDB to cover commercial and non-commercial risk.

   Guarantees support private sector investments, commercial borrowing by sovereign or state-owned enterprises, and/or commercial borrowing by the sovereign for budget financing and to support reform programmes. Guarantees are extended for eligible projects that enable financing partners to transfer certain risks that they cannot easily absorb or manage on their own. Guarantees cover equity and a wide variety of debt instruments and support financial sector projects (including those of capital market investments and trade financiers and non-financial sector business activities corresponding to activities across sectors).

f) **Investment loans:** Loans are transfers for which repayment is required.

   Investment loans can be used for any development activity that has the overall objective of promoting sustainable social and/or economic development, in line with the MDBs' mandates. Proceeds used for activities included in the joint MDB methodology for tracking climate finance count as climate finance.

   - **Refinancing:** Refinancing is the replacement of an existing debt obligation with another debt obligation under different terms.

     Refinancing can be classified as climate finance subject to the following terms:
     - o Refinancing of assets that have reached financial closure for the entire term of the project or that have passed the breakeven point, provided that the client commits to originating new climate deals for that amount within the next 24 months.
     - o Refinancing of assets where financial closure has not yet taken place, or the project has not yet been fully constructed and is not yet operational.
     - o Bringing in additional long-term funds to replace short-term bridge loans or strengthening the financial terms of the climate-related asset through long-term loans with better terms than those of previous loans (for example, they correct a mismatch of maturity, adjust the costs of asset construction, reduce exchange rate impact, replace expensive debt, and so on).

- Refinancing climate finance projects that have already been constructed or are already operational but have not passed the breakeven point (for example, recently built solar projects). The breakeven conditions are confirmed by the investment team.

- **Working capital:** Working capital is finance provided for operational expenditures.

  Working capital is considered to be climate finance if it leads to, enables or supports the implementation and operation of activities included in the joint MDB methodology for tracking climate finance.

g) **Lines of credit:** Lines of credit provide a guarantee that funds will be made available but no financial asset exists until funds have been advanced. Climate finance is the proportion of the credit line that is committed to activities defined as eligible in the MDBs' climate finance tracking methodologies.

h) **Policy-based financing (PBF):** Financing for a public borrower that helps the borrower to address actual or anticipated requirements for development finance of domestic or external origins.

   Policy-based financing supports a programme of policy and institutional actions for a particular theme or sector of national policy. While it does not use the cost estimation approach for each policy action, disbursements of PBF are conditional on the borrower fulfilling their policy commitments in the lending agreement.

   The proportion of this public financing that is reported as climate finance is the same as the proportion of the climate-related "policy actions" agreed in order to allow the policy-based financing to proceed. For example, if one in three policy actions are climate-related, one-third of the resulting policy-based financing would be counted as climate finance.

i) **Results-based financing (RBF):** Results-based financing directly links the disbursement of funds to measurable results in a government-owned programme.

   RBF aims to increase accountability and incentives for delivering and sustaining results, improve the effectiveness and efficiency of government-owned sector programmes, promote institutional development and enhance the effectiveness of development. Proceeds used for activities included in the joint MDB methodology for tracking climate finance count as climate finance.

ANNEX C.6. POST-2020 TARGETS RELATED TO THE JOINT MDB CLIMATE FINANCE TRACKING METHODOLOGY

MDB	Post-2020 targets related to the joint MDB climate finance tracking methodology
AfDB	Climate finance will be 40% of the total annual approvals, out of which at least 50% is adaptation finance (Climate Change Action Plan (2020-2025)). Doubling of climate finance to $25 billion for the period 2020-25, giving priority to adaptation finance. Source: The African Development Bank pledges $25 billion to climate finance for 2020-2025, doubling its commitments
ADB	By 2030, at least 75% of the number of its committed operations (on a three-year rolling average, including sovereign and non-sovereign operations) will be supporting climate change mitigation and adaptation. Climate finance from ADB's own resources will reach $80 billion for the period 2019-30. In 2021, ADB elevated its climate finance ambition to reach $100 billion, up by $20 billion by 2030. Sources: Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific News Release: ADB Raises 2019–2030 Climate Finance Ambition to $100 billion Medium-term targets: 65% of the number of operations (on a three-year rolling average) and $35 billion for the period 2019-24. Source: ADB Corporate Results Framework, 2019–2024: Policy Paper
AIIB	Reflecting its commitment to support the Paris Agreement, AIIB will aim to reach or surpass by 2025 a 50% share of climate finance in its actual financing approvals. Source: AIIB Corporate Strategy: Financing Infrastructure for Tomorrow
EBRD	Green finance is to account for more than 50% of total annual EBRD investment by 2025. The EBRD's *Green Economy Transition (GET) approach for the period 2021-25* is helping economies where the EBRD operates build green, low-carbon and resilient economies. The new approach sets a green finance target of 50% of all EBRD's Annual Bank Investment by 2025. This green finance is composed of climate finance for both mitigation and adaptation as well as finance addressing other environmental objectives. The EBRD does not have separate targets for climate action. Nevertheless, it expects that the bulk of the finance will be classified as climate finance under the joint MDB approach, in line with the EBRD's current investment focus. For the previous period, 2016-20, cumulative climate finance accounted for approximately 95% of the reported green finance. Source: https://www.ebrd.com/what-we-do/get.html
EIB	The EIB will gradually increase the share of its financing dedicated to climate action and environmental sustainability to exceed 50% of its operations in 2025. From 2021, the EIB will deliver against a target that comprises both climate finance and environmental sustainability finance. Based on 2021 and 2022 data, climate finance comprises approximately 95% of the volume reported against the target. Additionally, under our Adaptation Plan, adaptation finance should increase to 15% of climate finance by 2025. Sources: The EIB Group Climate Bank Roadmap 2021-2025 The EIB Climate Adaptation Plan: Supporting the EU Adaptation Strategy to build resilience to climate change
IDBG	Climate finance in IDB Group operations (of climate finance approvals as a percentage of all financing commitments for 2020-23) is ⩾30% (annual floor). Note: IDB Invest reports at the level of closings (not approvals). Source: https://crf.iadb.org/en The Board of Governors of the IDB Group recently approved a new institutional strategy for 2024-2030 that now features climate action as a core objective. The IDB Group is currently developing a new corresponding Impact Framework, including a review of existing climate finance targets.
IsDB	The IsDB is committed to a climate finance target of 35% of total financial commitments by 2025. This 35% climate finance target **excludes** operations of IsDB Group members including the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). Source: IsDB 2020-2025 Climate Action Plan

NDB	The NDB aims to direct 40% of total approvals to projects contributing to climate change mitigation and adaptation, including energy transition, over the period 2022-2026. Source: https://www.ndb.int/wp-content/uploads/2022/07/NDB_StrategyDocument_eVersion_07.pdf
WBG	In its Climate Change Action Plan 2021-25, the WBG set a target to achieve 35% climate finance on average in FY21-25, with at least 50% of IDA and IBRD climate financing to be allocated to adaptation. At COP28, the WBG announced a target to devote 45% of its annual financing to climate-related projects for the fiscal year that runs from 1 July 2024 to 30 June 2025. These targets represent a significant increase from the 26% achieved on average in FY 2016-20 and an even larger increase in dollar terms as the WBG's total financing has also expanded. Sources: https://openknowledge.worldbank.org/handle/10986/35799 https://www.worldbank.org/en/news/press-release/2023/12/01/world-bank-group-doubles-down-on-financial-ambition-to-drive-climate-action-and-build-resilience

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