

2022

JOINT REPORT  
ON MULTILATERAL  
DEVELOPMENT  
BANKS'

# CLIMATE FINANCE



## **2022 JOINT REPORT ON MULTILATERAL DEVELOPMENT BANKS' CLIMATE FINANCE**

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JOINT REPORT ON MULTILATERAL  
DEVELOPMENT BANKS'

# CLIMATE FINANCE

OCTOBER 2023

This report was written 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.





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## 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 <sub>2</sub> | 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   |
| GHG             | Greenhouse gas   |
| 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 the 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') climate finance figures, together with a clear explanation of the methodologies for tracking this finance as climate finance. This joint report, alongside the banks' publication of climate finance statistics in their respective corporate media, is intended to track 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. This year's report brings Council of Europe Development Bank and New Development Bank's climate finance fully into the MDB reporting, so that for the first time, all ten MDBs' climate finance is included in the aggregated data reported.

There have been several recent developments that are relevant to MDB climate finance. The Independent Review of MDBs' Capital Adequacy Frameworks<sup>1</sup>, published in July 2022, analyses how MDBs can use public resources in the most efficient and effective way. The report presents five key recommendations<sup>2</sup> to free up additional lending headroom. The independent High Level Expert Group published a report at COP27 also calling for major increases in MDB climate finance. COP27 also produced the Sharm El Sheik Implementation Plan. Prior to COP27, the Bridgetown Initiative, championed by Prime Minister Mottley of Barbados in September 2022, called on global leaders to reform the global financial architecture in response to multiple global crises. With additional momentum from COP27, to further accelerate climate action and sustainable development, President Macron of France co-hosted with Prime Minister Mottley a Summit for a new Global Financing Pact in June 2023, which called on MDBs to step up ambitions to address global challenges and achieve SDGs. The MDBs' transparent joint reporting on their climate finance can provide useful data to inform the international discussions.

Since the first *Joint Report on Multilateral Development Banks' Climate Finance*, which covered climate finance for 2011, figures reported for climate finance have been based on a joint MDB climate finance tracking and reporting methodology. This methodology has been gradually updated as and when the need arose, particularly in light of experience and global developments in this space. The first eight editions of the report 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 economies. In addition, responding to user requests for a more comprehensive breakdown, a new Annex with additional details on climate finance in Least Developed Countries and Small Island Developing States is added to this year's report.

Some important methodological changes have occurred since last year's report: the original, smaller group of MDBs had already in 2011 developed a harmonised climate finance tracking methodology and published it in their first joint reports. In 2015, the MDBs and the [International Development Finance Club](#) (IDFC<sup>3</sup>) worked together to agree on a set of common principles for finance to mitigate climate change and an initial set of common principles for finance to support adaptation to climate change. The intention was for a wider group of public banks to take a common approach to track and report on climate finance. The MDBs and IDFC published a [new version](#) of the Common Principles for Climate Change Mitigation Finance Tracking in October 2021, which includes a more granular breakdown of types of eligible activity, clear criteria that must be

1 [https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti\\_it/rapporti\\_finanziari\\_internazionali/rapporti\\_finanziari\\_internazionali/CAF-Review-Report.pdf](https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti_it/rapporti_finanziari_internazionali/rapporti_finanziari_internazionali/CAF-Review-Report.pdf)

2 The five recommendations include re-evaluating MDB risk limits, recognising the benefits of callable capital, expanding the use of financial innovations, enhancing dialogue with credit rating agencies, and promoting greater transparency regarding MDB credit performance.

3 [www.idfc.org](http://www.idfc.org)

met and additional guidance to facilitate the application of these criteria. In this year's report, all MDBs in the current group of ten MDBs have applied this updated methodology for determining 2022 climate change mitigation finance.

In 2022, the MDBs worked to update their joint methodology for tracking adaptation finance. This update was agreed by all MDBs and launched at COP27: it reflects 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, and will be adopted from 2023 onwards. This year's report, as it covers 2022 finance, still reports using the old methodology.

The MDBs will continue to improve their tracking and reporting of climate finance as an important part<sup>4</sup> of their overall commitments to ensure that financial flows are consistent with a pathway to low greenhouse gas emissions and climate-resilient development, as established in Article 2.1(c) of the Paris Agreement. In particular, MDBs continue to work closely with IDFC on improving climate finance tracking, and MDBs and IDFC are now working to update the common principles for climate adaptation and mitigation finance tracking, aiming to share them later in 2023.

At the UN Secretary General's Climate Action Summit in New York in September 2019, the MDBs made a high-level statement on their joint climate actions looking forward to 2025. This included delivering an expected collective total of \$50 billion climate finance for low-income and middle-income economies, at least \$65 billion of climate finance globally, with an expected doubling in adaptation finance to \$18 billion; and private mobilisation of \$40 billion. In 2022 the MDBs 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 in all economies in which the MDBs operate. The table in Annex C.6 summarises individual post-2020 MDBs' climate commitments.

The MDBs presented updates on their work to align their finance flows with the Paris Agreement in November 2022<sup>5</sup>. The multilateral development banks have all set their own timelines to implement the MDB Paris Alignment Framework<sup>6</sup> whilst working together on joint tools and approaches, and some MDBs have already put in place approaches for all Six Building Blocks<sup>7</sup>. Financial flows presented in this report are based on climate finance methodologies that are separate and distinct from the MDB Paris Alignment Framework, although all climate finance should also be Paris-aligned, within the time frame set by each MDB for implementation.

As well as continuing to work on climate finance tracking and on further aspects of their Paris Alignment Six Building Block framework, MDBs intend to work together on improving assessment and reporting climate outcomes and climate impacts of their financing. Many MDBs work actively with the IFI working group on greenhouse gas (GHG) accounting where harmonised GHG reporting methodologies are developed, and several MDBs have worked together on impact reporting for Green Bonds and on climate-resilience metrics since 2019 when MDBs and members of the IDFC published the joint Framework and Principles for Climate Resilience Metrics in Financing Operations, setting out the core concepts and characteristics of climate resilience metrics alongside a high-level framework for such metrics in financing operations. MDBs' climate outcomes and climate impacts work is therefore not new but now warrants increased focus, taking account also of recent developments in financial markets' reporting.

4 "Accelerated contribution to the transition through climate finance" — Building Block 3 of MDBs' joint framework: Multilateral Development Banks announce joint framework for aligning their activities with the goals of the Paris Agreement (eib.org)

5 Progress Report: Multilateral Development Banks Working Together for Paris Alignment (eib.org)

6 MDBs agree how to align new financial flows with the Paris Agreement goals (eib.org)

7 The six building blocks are: (i) alignment with mitigation goals, (ii) adaptation and climate-resilient operations, (iii) accelerated contribution to the transition through climate finance, (iv) engagement and policy development support, (v) reporting, and (vi) alignment of internal activities. As part of this ongoing work, the MDBs published in June 2023 their joint methodological principles for alignment of new financing with the goals of the Paris Agreement. This includes methodological guidance on how to operationalise the new operations aspects of Building Blocks 1 and 2 of MDBs' joint PA framework, for different types of financing instruments.



This edition of the *Joint Report on Multilateral Development Banks' 2022 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.

October 2023

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Download the infographic summary at:

[www.eib.org/2022-joint-report-on-mdbs-climate-finance-infographic](http://www.eib.org/2022-joint-report-on-mdbs-climate-finance-infographic)



## EXECUTIVE SUMMARY

This 12<sup>th</sup> edition of the *Joint Report on Multilateral Development Banks' Climate Finance* is an overview of climate finance committed in 2022 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 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's focus on low- and middle-income economies<sup>8</sup>. 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 in this and last year's report. The MDBs endeavoured to attribute any climate finance falling within 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 2022 (see Tables B.1 and B.2). This version of the report also provides further analysis on the MDB's climate finance in LDCs and SIDS in [Annex A.5](#).

### **LOW- AND MIDDLE-INCOME ECONOMIES**

In 2022, \$60.7 billion was for low-income and middle-income economies. \$38.0 billion, or 63% of this total, was for climate change mitigation finance and \$22.7 billion or 37% was for climate change adaptation finance.

In 2022, MDBs reported \$48.7 billion of their climate finance for public recipients and \$12.0 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 \$47.1 billion for climate co-finance, with 58% in mitigation activities and 42% in adaptation activities. 65% of climate co-finance in low- and middle-income economies came from public sources and 35% from private sources.

### **HIGH-INCOME ECONOMIES**

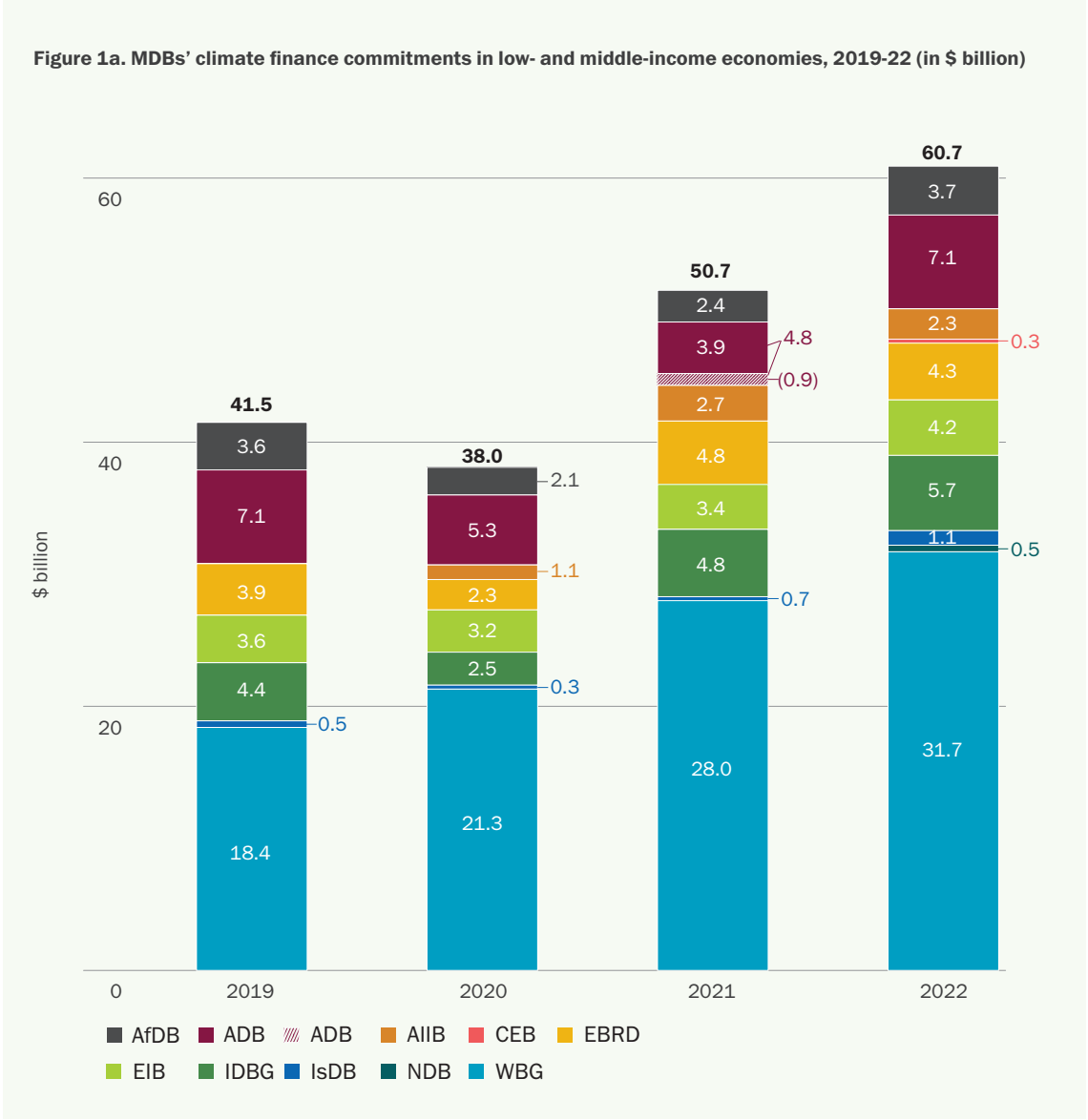
In 2022, \$38.8 billion was allocated for high-income economies. \$36.3 billion, or 94% of this total, was for climate change mitigation finance and \$2.5 billion or 6% was for climate change adaptation finance.

<sup>8</sup> Before 2019, the joint MDB report covered climate finance for developing and emerging economies.

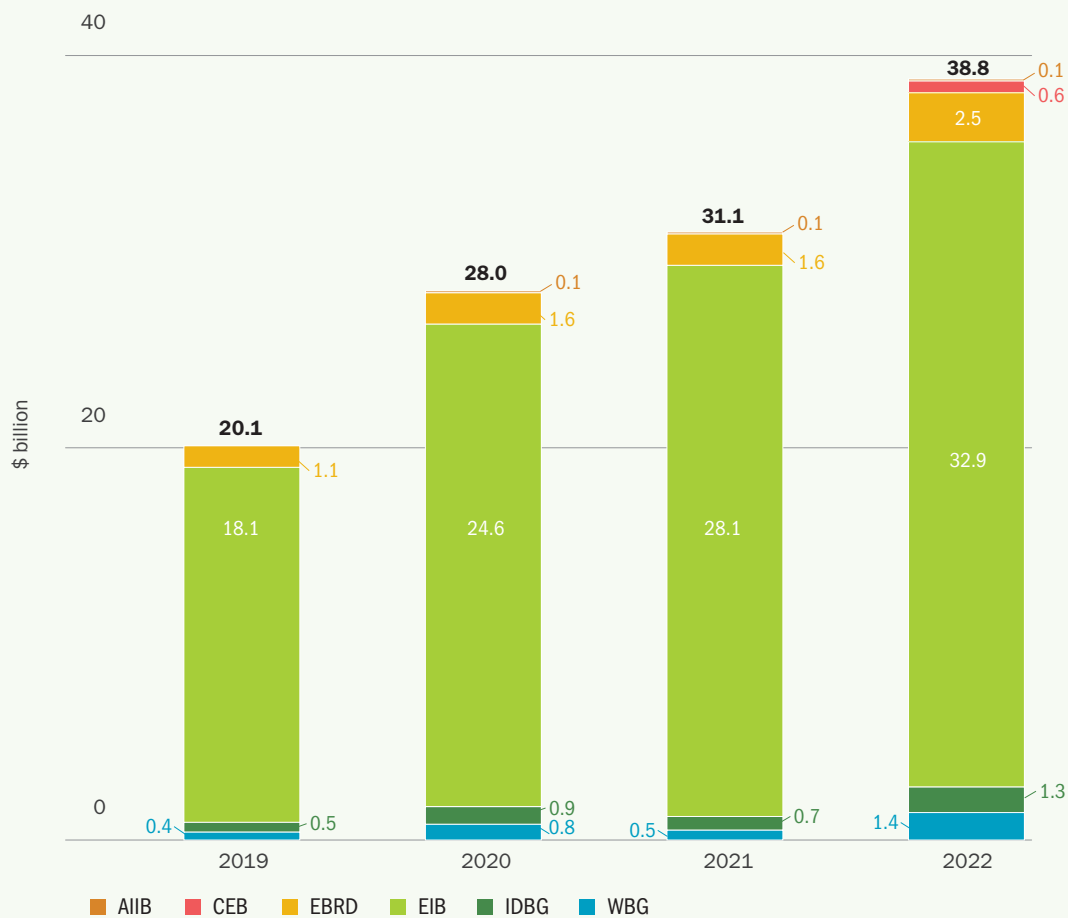
In 2022, the multilateral development banks reported \$20.0 billion of their climate finance for public recipients and \$18.8 billion for private recipients in high-income economies.

The report also shows that MDB climate finance investments in high-income economies are supported by a total of \$72.0 billion in climate co-finance, with 86% in mitigation activities and 14% in adaptation activities. 28% of climate co-finance in high-income economies came from public sources and 72% from private sources.

Figure 1a presents MDB climate finance commitments reported for 2019-2022 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 1b. MDBs' climate finance commitments in high-income economies, 2019-22 (in \$ billion)**



Notes for Figures 1a and 1b:

- 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 AIB. ADB administers financing from AIB for several projects, some of which have components that contribute to climate finance. For 2022, ADB reports climate adaptation finance of \$7 million and climate mitigation finance of \$7 million from ADB-administered financing from AIB. To avoid double counting, these amounts are excluded from the total MDB amounts for 2022 as AIB reports climate finance for the same projects as a share of its financing under own resources. The project under this situation belongs to the category of public recipient in the East Asia and the Pacific region; it is a grant and is implemented under the category of "Agriculture, forestry, land use and fisheries" and "Other agricultural and ecological resources". A similar situation occurred in 2021, when \$0.9 billion of ADB climate finance was excluded from the total MDB amounts to avoid double counting.
- 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. From 2020 onward, for IDB Invest only, the figures refer to total commitments of long-term finance, in an effort to more accurately reflect actual investments as well as the mobilisation of private-sector actors. In 2022, IDBG climate finance consisted of: \$5.9 billion through IDB; \$1.0 billion through IDB Invest; and \$24 million through IDB Lab.
- The IsDB-reported climate finance commitment excludes operations of some IsDB Group members, namely 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).
- EIB 2019-22 climate finance commitments shown here include all EIB countries of operation, including all EU economies, whereas only some EU economies' climate finance commitments are made by the 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.
- WBG climate finance resources (including own-account and managed external resources) for IFC, MIGA and the IDA and IBRD were \$4.5 billion (including \$103 million of managed external resources), \$1.1 billion and \$27.4 billion (including \$1.3 billion of managed external resources), respectively, for the fiscal year (FY) 2022, which covers the period from 1 July 2021 to 30 June 2022. IFC's total commitments of own-account long-term finance in FY22 were \$12.6 billion and IFC reached a level of 35% on long-term finance own-account climate commitments. For MIGA, total investments guaranteed amount in FY22 were \$4.1 billion and climate finance reached 28%. IDA and IBRD total own-account commitments were \$70.8 billion and the share of its climate-related financing reached 37%.
- CEB, EBRD and EIB climate finance figures in this chart are based on the annual average European Central Bank rate. For 2022 the exchange rate used is €1 = \$1.053.
- Numbers in the tables and figures in this report may not add up to the totals shown, due to rounding.
- CEB and NDB 2022 climate finance data have been presented in Figures 1a and 1b for the first time, as they did not report their climate finance data in previous reports together with the climate finance data from the other MDBs.
  - Presenting climate finance data separately from the joint figure, the CEB committed a total of \$621 million in climate finance in 2021.
  - Presenting climate finance data separately from the joint figure, the NDB committed a total of \$816 million in 2020, and a total of \$509 million in climate finance in 2021.
- The numbers on 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 address 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 has been updated using a new joint methodology in October 2022<sup>9</sup>. In July 2015 the multilateral development banks and the IDFC agreed an initial set of Common Principles for Climate Adaptation Finance Tracking<sup>10</sup>. The organisations continue to harmonise their approaches to tracking adaptation finance. Climate change adaptation finance in 2022 totalled \$25.2 billion, of which 90% was directed at low- and middle-income economies.

The multilateral development banks’ methodologies for tracking climate change mitigation finance align with the Common Principles for Climate Change Mitigation Finance Tracking<sup>11</sup> 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 Change Mitigation Finance Tracking. Mitigation finance is estimated in accordance with the joint MDB methodology for tracking climate change 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 banks finalised their review of the methodology for tracking climate change 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 activity, clear criteria that must be met and additional guidance to help interpretation. Climate change mitigation finance in 2022 totalled \$74.2 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 2022, AIIB, EBRD, IDBG and IsDB reported a total of \$2 759 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.

9 Joint Methodology For Tracking Climate Change Adaptation Finance [https://www.eib.org/attachments/lucalli/20220242\\_mdbs\\_joint\\_methodology\\_climate\\_finance\\_en.pdf](https://www.eib.org/attachments/lucalli/20220242_mdbs_joint_methodology_climate_finance_en.pdf)

10 [The Common Principles for Climate Change Adaptation Finance Tracking](#) are set out in Annex C.2: [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Common\\_Principles\\_for\\_Climate\\_Change\\_Adaptation\\_Finance\\_Tracking\\_-\\_Version\\_1\\_\\_02\\_July\\_\\_2015.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Common_Principles_for_Climate_Change_Adaptation_Finance_Tracking_-_Version_1__02_July__2015.pdf)

11 [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](https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf)



# 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 change 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 2022 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 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 might not capture certain activities that may 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<sup>12</sup>. The updated methodology reflects the evolving understanding of change adaptation and resilience activities, and the advances made in the fields of adaptation finance. The MDBs started to apply the updated adaptation finance tracking methodology to their 2023 commitments, which will be reported in the joint MDBs climate finance report to be published in 2024.

12 <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”<sup>13</sup> 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 GHG 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 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 Change Mitigation 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<sub>2</sub>) 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 not been used for the preparation of this 2022 report, but will be used for 2023 reporting.

13 mdb\_idfc\_mitigation\_common\_principles\_en.pdf (eib.org)



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

| Item  | CLIMATE CHANGE ACTIVITY   |  |
|---|---|--|
|   | 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.<br><br><i>Project-based:</i> 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.<br><br><i>Component-based:</i> 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 is intended 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 result of specific adaptation activities within the project.                              | A granular approach is used. Climate finance methodology is intended 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 emission reductions (such as the manufacture of electric vehicles helping to reduce 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 serve to assess qualification for climate mitigation finance. Overarching criteria also apply. See <a href="#">Annex C.3</a> 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 provide guidance on the application of the joint methodology in a broader range of financing instruments.

The outcome was an update to the methodology<sup>14</sup> that reflected the evolving understanding of adaptation and climate resilience and advances made in the fields 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 modalities supporting adaptation have broadened from 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

Since 2015 the multilateral development banks has been 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.

In April 2017 the multilateral development banks published a reference guide (*From Billions to Trillions: Transforming Development Finance*)<sup>15</sup> 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<sup>16</sup>. The *2022 Joint Report on MDBs' Climate Finance* follows the agreed terminology<sup>17</sup> 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". Put together, these two forms of mobilisation represent the private share of climate co-finance.

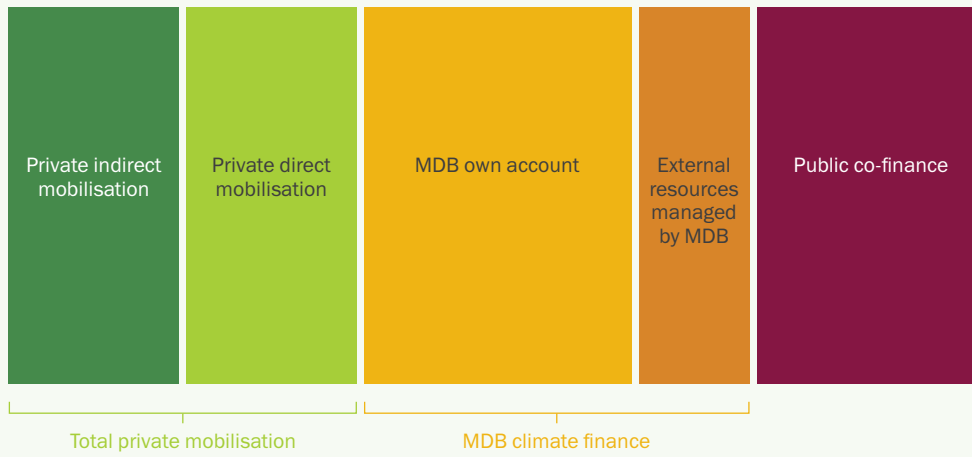
14 Joint methodology for tracking climate change adaptation finance (eib.org)

15 <http://documents.worldbank.org/curated/en/495061492543870701/pdf/114403-WP-PUBLIC-cedvp-14p-JointMDBReportingonPrivateInvestmentMobilizationMethodologyReferenceGuide.pdf>

16 <http://documents.worldbank.org/curated/en/495061492543870701/pdf/114403-WP-PUBLIC-cedvp-14p-JointMDBReportingonPrivateInvestmentMobilizationMethodologyReferenceGuide.pdf>

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

**Figure 2. Total activity financing, by type of finance**





## MDB CLIMATE FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES, 2022

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

In 2022, multilateral development banks committed \$60.7 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 \$60.7 billion of climate finance committed to low-income and middle-income economies, \$57.7 billion was from the MDBs' own account and \$3.0 billion was in external resources channelled through MDBs. Mitigation finance committed to low- and middle-income economies totalled \$37.9 billion, or 63%, while adaptation finance totalled \$22.7 billion, or 37%.

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), the 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 in low- and middle-income economies, 2022 (in \$ million)**

|                                | AfDB         | ADB          | AIIB         | CEB        | EBRD         | EIB          | IDBG         | IsDB         | NDB        | WBG           | Total          |
|--------------------------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|------------|---------------|----------------|
| Own account                    | 3 151        | 6 721        | 2 311        | 295        | 3 949        | 4 097        | 5 304        | 1 050        | 466        | 30 334        | 57,679         |
| MDB-managed external resources | 500          | 385          | -            | -          | 340          | 67           | 373          | -            | -          | 1 333         | 2,985*         |
| <b>MDB climate finance</b>     | <b>3 651</b> | <b>7 107</b> | <b>2 311</b> | <b>295</b> | <b>4 289</b> | <b>4 165</b> | <b>5 678</b> | <b>1 050</b> | <b>466</b> | <b>31 666</b> | <b>60,664*</b> |

Notes:

1. "MDB climate finance" refers to the sum of climate finance from the MDBs' own accounts and 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).
3. (\*) See footnote 1 for Figures 1a and 1b.

**Table 3. MDB climate finance by scope in low- and middle-income economies, 2022 (in \$ million)**

| MDB          | Adaptation finance | Mitigation finance | MDB climate finance |
|--------------|--------------------|--------------------|---------------------|
| AfDB         | 2 276              | 1 375              | 3 651               |
| ADB          | 2 829              | 4 277              | 7 107               |
| AIIB         | 423                | 1 889              | 2 311               |
| CEB          | 211                | 84                 | 295                 |
| EBRD         | 300                | 3 989              | 4 289               |
| EIB          | 431                | 3 734              | 4 165               |
| IDBG         | 2 045              | 3 633              | 5 678               |
| IsDB         | 571                | 479                | 1 050               |
| NDB          | 0                  | 466                | 466                 |
| WBG          | 13 640             | 18 027             | 31 666              |
| <b>Total</b> | <b>22 718*</b>     | <b>37 946*</b>     | <b>60 664*</b>      |

Notes:

1. In certain cases, MDBs finance activities that have simultaneous benefits for mitigation and adaptation. The 2022 figure of \$2 354 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](#)). The AIIB reported \$127 million, the EBRD reported \$106 million, the IDBG reported \$1 792 million, and the IsDB reported \$329 million as dual-benefit projects. Note that 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 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, 2022 (in \$ million)**

| Type of recipient or borrower | MDB own account | MDB-managed external resources |
|-------------------------------|-----------------|--------------------------------|
| Public recipient/borrower     | 46 146          | 2 491*                         |
| Private recipient/borrower    | 11 532          | 495                            |
| <b>Total</b>                  | <b>57 679</b>   | <b>2 985*</b>                  |

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

**Table 5. MDB climate finance by type of recipient or borrower in low- and middle-income economies, 2022 (in \$ million)**

| MDB          | Private       | Public         |
|--------------|---------------|----------------|
| AfDB         | 777           | 2 874          |
| ADB          | 547           | 6 560          |
| AIIB         | 648           | 1 664          |
| CEB          | -             | 295            |
| EBRD         | 2 707         | 1 581          |
| EIB          | 1 440         | 2 724          |
| IDBG         | 1 014         | 4 664          |
| IsDB         | -             | 1 050          |
| NDB          | -             | 466            |
| WBG          | 4 894         | 26 773         |
| <b>Total</b> | <b>12 027</b> | <b>48 637*</b> |

(\*) 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 61% of climate finance for low- and middle-income economies was committed through investment loans, followed by policy-based financing (14%) and grants (10%). Illustrative examples of various type of instrument are presented in tables in [Annex C.5](#).

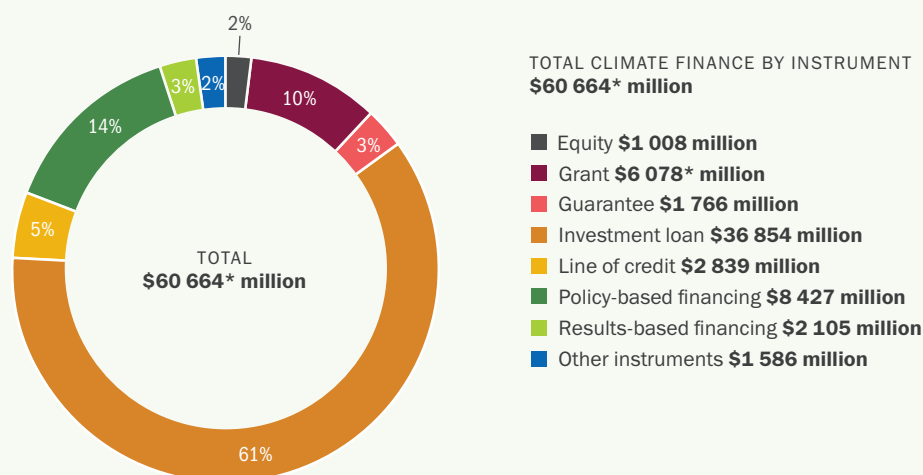
**Table 6. MDB climate finance by type of instrument in low- and middle-income economies, 2022 (in \$ million)**

| Instrument type         | Climate finance |
|-------------------------|-----------------|
| Equity                  | 1 008           |
| Grant                   | 6 078*          |
| Guarantee               | 1 766           |
| Investment loan         | 36 854          |
| Line of credit          | 2 839           |
| Policy-based financing  | 8 427           |
| Results-based financing | 2 105           |
| Other instruments       | 1 586           |
| <b>Total</b>            | <b>60 664*</b>  |

Notes:

1. [Annex C.5](#) defines the various type 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, 2022 (in \$ million)**



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

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

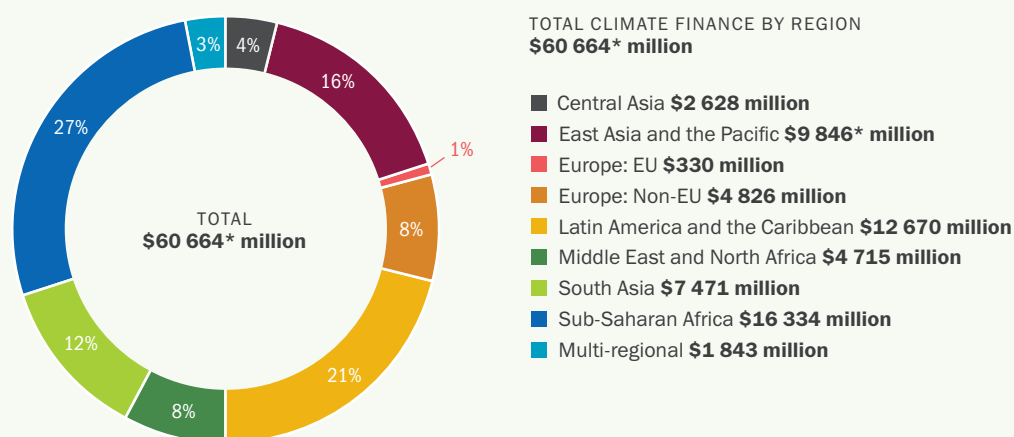
Multilateral development banks' climate finance commitments grouped by region<sup>18</sup>.

**Table 7. MDB climate finance by region in low- and middle-income economies, 2022 (in \$ million)**

| Region                          | Climate finance |
|---------------------------------|-----------------|
| Central Asia                    | 2 628           |
| East Asia and the Pacific       | 9 846*          |
| Europe: European Union          | 330             |
| Europe: Non-European Union      | 4 826           |
| Latin America and the Caribbean | 12 670          |
| Middle East and North Africa    | 4 715           |
| South Asia                      | 7 471           |
| Sub-Saharan Africa              | 16 334          |
| Multi-regional                  | 1 843           |
| <b>Total</b>                    | <b>60 664*</b>  |

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

**Figure 4. MDB climate finance by region in low- and middle-income economies, 2022 (in US \$ million)**



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

### 2.2 MDB ADAPTATION FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES, 2022

In 2022 a total of \$25.2 billion was committed for climate change adaptation finance, with \$22.7 billion, or 90%, 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, or 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.

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



Table 8 presents the 2022 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, 2022 (in \$ million)**

|                                | AfDB         | ADB          | AIIB       | CEB        | EBRD       | EIB        | IDBG         | IsDB       | NDB      | WBG           | Total          |
|--------------------------------|--------------|--------------|------------|------------|------------|------------|--------------|------------|----------|---------------|----------------|
| MDB own account                | 1 993        | 2 726        | 423        | 211        | 252        | 424        | 1 996        | 571        | -        | 12 878        | 21 473         |
| MDB-managed external resources | 282          | 103          | -          | -          | 48         | 7          | 48           | -          | -        | 762           | 1 245*         |
| <b>Total</b>                   | <b>2 276</b> | <b>2 829</b> | <b>423</b> | <b>211</b> | <b>300</b> | <b>443</b> | <b>2,045</b> | <b>571</b> | <b>-</b> | <b>13,640</b> | <b>22 718*</b> |

(\*) 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, 2022 (in \$ million)**

| MDB          | Private    | Public         |
|--------------|------------|----------------|
| AfDB         | 261        | 2 015          |
| ADB          | 89         | 2 740          |
| AIIB         | 5          | 418            |
| CEB          | -          | 211            |
| EBRD         | 145        | 155            |
| EIB          | 211        | 220            |
| IDBG         | 118        | 1 927          |
| IsDB         | -          | 571            |
| NDB          | -          | -              |
| WBG          | 128        | 13 512         |
| <b>Total</b> | <b>956</b> | <b>21 762*</b> |

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

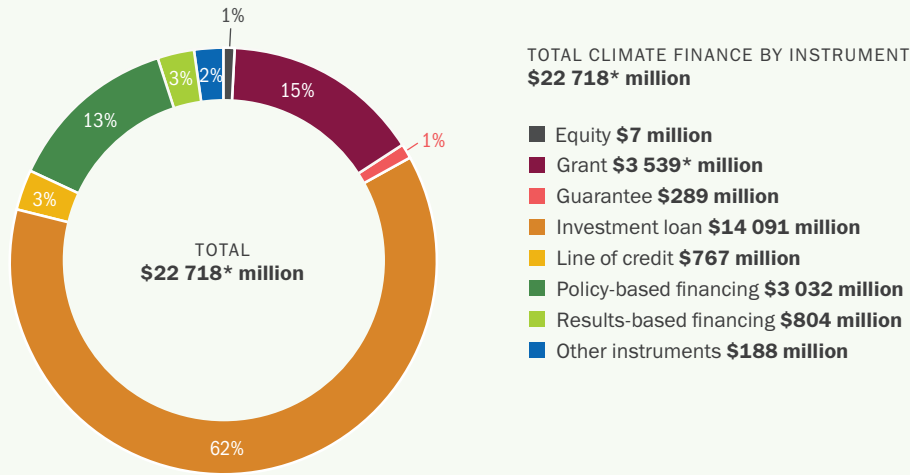
Table 10 breaks down MDB adaptation finance by type of instrument. The multilateral development banks reported that the majority (62%) of adaptation finance for low- and middle-income economies was committed through investment loans, followed by grants (16%) and policy-based financing (13%).

**Table 10. MDB adaptation finance by MDB and by type of instrument in low- and middle-income economies, 2022 (in \$ million)**

| Instrument type         | Adaptation finance |
|-------------------------|--------------------|
| Equity                  | 7                  |
| Grant                   | 3 539*             |
| Guarantee               | 289                |
| Investment loan         | 14 091             |
| Line of credit          | 767                |
| Policy-based financing  | 3 032              |
| Results-based financing | 804                |
| Other instruments       | 188                |
| <b>Total</b>            | <b>22 718*</b>     |

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

**Figure 5. MDB adaptation finance by MDB and by type of instrument in low- and middle-income economies, 2022 (in \$ million)**



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

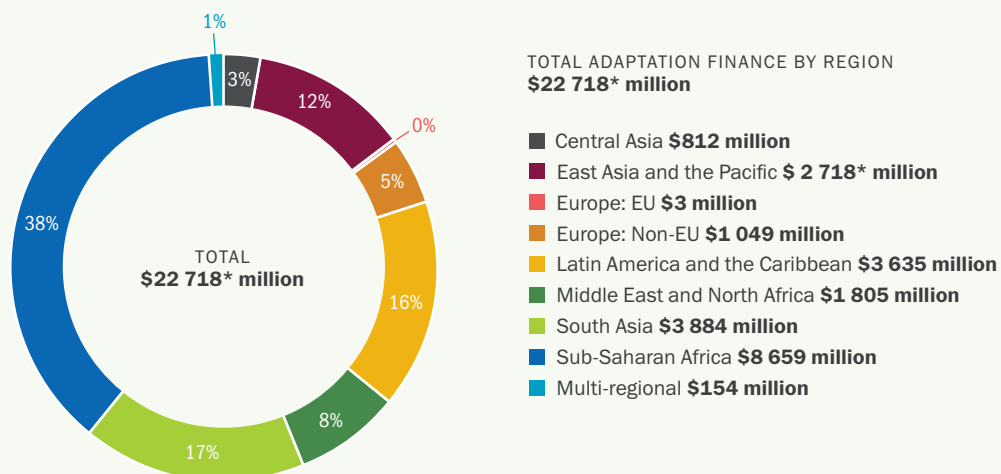
Table 11 shows total adaptation finance by region. The largest proportions of adaptation finance in low- and middle-income economies were in the following regions: Sub-Saharan Africa, South Asia, and Latin America and the Caribbean.

**Table 11. MDB adaptation finance by region in low- and middle-income economies, 2022 (in \$ million)**

| Region                          | Adaptation finance |
|---------------------------------|--------------------|
| Central Asia                    | 812                |
| East Asia and the Pacific       | 2 718*             |
| Europe: European Union          | 3                  |
| Europe: Non-European Union      | 1 049              |
| Latin America and the Caribbean | 3 635              |
| Middle East and North Africa    | 1 805              |
| South Asia                      | 3 884              |
| Sub-Saharan Africa              | 8 659              |
| Multi-regional                  | 154                |
| <b>Total</b>                    | <b>22 718*</b>     |

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

**Figure 6. MDB adaptation finance by region in low- and middle-income economies, 2022 (in \$ million)**



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

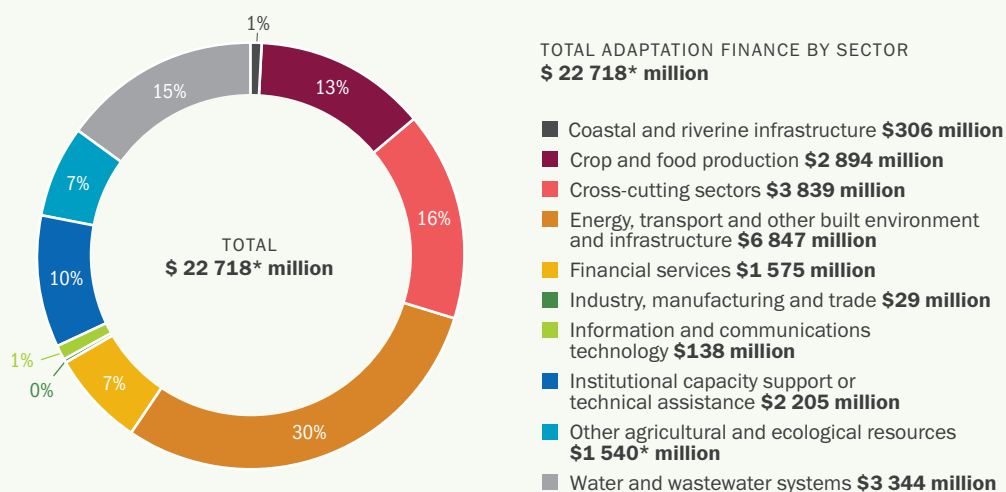
Table 12 reports MDB adaptation finance by sector, with 30% in energy, transport and other built environment and infrastructure, followed by cross-cutting operations with 17%, and 15% in water and wastewater systems.

**Table 12. MDB adaptation finance by sector in low- and middle-income economies, 2022 (in \$ million)**

| Sector group  | Adaptation finance |
|---|--------------------|
| Coastal and riverine infrastructure                               | 306                |
| Crop and food production  | 2 894              |
| Cross-cutting sectors   | 3 839              |
| Energy, transport, and other built environment and infrastructure | 6 847              |
| Financial services  | 1 575              |
| Industry, manufacturing and trade                                 | 29                 |
| Information and communications technology                         | 138                |
| Institutional capacity support or technical assistance            | 2 205              |
| Other agricultural and ecological resources                       | 1 540*             |
| Water and wastewater systems                                      | 3 344              |
| <b>Total</b>  | <b>22 718*</b>     |

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

**Figure 7. MDB adaptation finance by sector in low- and middle-income economies, 2022 (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, 2022 (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                               | 1            | 54                        | -                      | -                          | 102                             | 16                           | 54           | 74                 | 5              | 306            |
| Crop and food production  | 119          | 46                        | -                      | 89                         | 99                              | 622                          | 288          | 1 534              | 97             | 2 894          |
| Cross-cutting sectors   | 78           | 1 058                     | -                      | 67                         | 589                             | 211                          | 748          | 1 077              | 12             | 3 839          |
| Energy, transport, and other built environment and infrastructure | 156          | 751                       | 3                      | 517                        | 695                             | 134                          | 2 301        | 2 264              | 27             | 6 847          |
| Financial services  | 3            | 131                       | -                      | 0                          | 283                             | 252                          | 89           | 815                | 3              | 1 575          |
| Industry, manufacturing and trade                                 | 0            | -                         | -                      | 12                         | 9                               | -                            | 7            | -                  | -              | 29             |
| Information and communications technology                         | 3            | 9                         | -                      | 38                         | 3                               | -                            | 26           | 59                 | 0              | 138            |
| Institutional capacity support or technical assistance            | 11           | 52                        | -                      | 225                        | 954                             | 89                           | 128          | 743                | 3              | 2 217          |
| Other agricultural and ecological resources                       | 209          | 388*                      | -                      | 23                         | 228                             | 42                           | 32           | 616                | 3              | 1 540*         |
| Water and wastewater systems                                      | 232          | 230                       | -                      | 77                         | 672                             | 439                          | 212          | 1 478              | 4              | 3 344          |
| <b>Total</b>  | <b>812</b>   | <b>2 718*</b>             | <b>3</b>               | <b>1 049</b>               | <b>3 635</b>                    | <b>1 805</b>                 | <b>3 884</b> | <b>8 659</b>       | <b>154</b>     | <b>22 718*</b> |

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

### **2.3 MDB MITIGATION FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES, 2022**

In 2022, the multilateral development banks reported a total of \$74.2 billion in financial commitments for the mitigation of climate change, with \$37.9 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 2022 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, 2022 (in \$ million)**

|                                | AfDB         | ADB          | AIIB         | CEB       | EBRD         | EIB          | IDBG         | IsDB       | NDB        | WBG           | Total          |
|--------------------------------|--------------|--------------|--------------|-----------|--------------|--------------|--------------|------------|------------|---------------|----------------|
| MDB own account                | 1 157        | 3 995        | 1 889        | 84        | 3 697        | 3 674        | 3 308        | 479        | 466        | 17 456        | 36 206         |
| MDB-managed external resources | 217          | 282          | -            | -         | 292          | 60           | 325          | -          | -          | 570           | 1 740*         |
| <b>Total</b>                   | <b>1 375</b> | <b>4 277</b> | <b>1 889</b> | <b>84</b> | <b>3 989</b> | <b>3 734</b> | <b>3 633</b> | <b>479</b> | <b>466</b> | <b>18 027</b> | <b>37 946*</b> |

(\*) 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 economies, 2022 (in \$ million)**

| MDB          | Private       | Public         |
|--------------|---------------|----------------|
| AfDB         | 516           | 859            |
| ADB          | 458           | 3 819          |
| AIIB         | 643           | 1 246          |
| CEB          | -             | 84             |
| EBRD         | 2 563         | 1 426          |
| EIB          | 1 229         | 2 505          |
| IDBG         | 896           | 2 737          |
| IsDB         | -             | 479            |
| NDB          | -             | 466            |
| WBG          | 4 766         | 13 261         |
| <b>Total</b> | <b>11 071</b> | <b>26 875*</b> |

(\*) 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 60% of total mitigation finance for low- and middle-income economies was committed through investment loans, followed by policy-based financing, with a share of 14%.

**Table 16. MDB mitigation finance by type of instrument in low- and middle-income economies, 2022 (in \$ million)**

| Instrument type         | Mitigation finance |
|-------------------------|--------------------|
| Equity                  | 1 001              |
| Grant                   | 2 539*             |
| Guarantee               | 1 477              |
| Investment loan         | 22 763             |
| Line of credit          | 2 072              |
| Policy-based financing  | 5 395              |
| Results-based financing | 1 301              |
| Other instruments       | 1 399              |
| <b>Total</b>            | <b>37 946*</b>     |

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

**Figure 8. MDB mitigation finance by type of instrument in low- and middle-income economies, 2022 (in \$ million)**

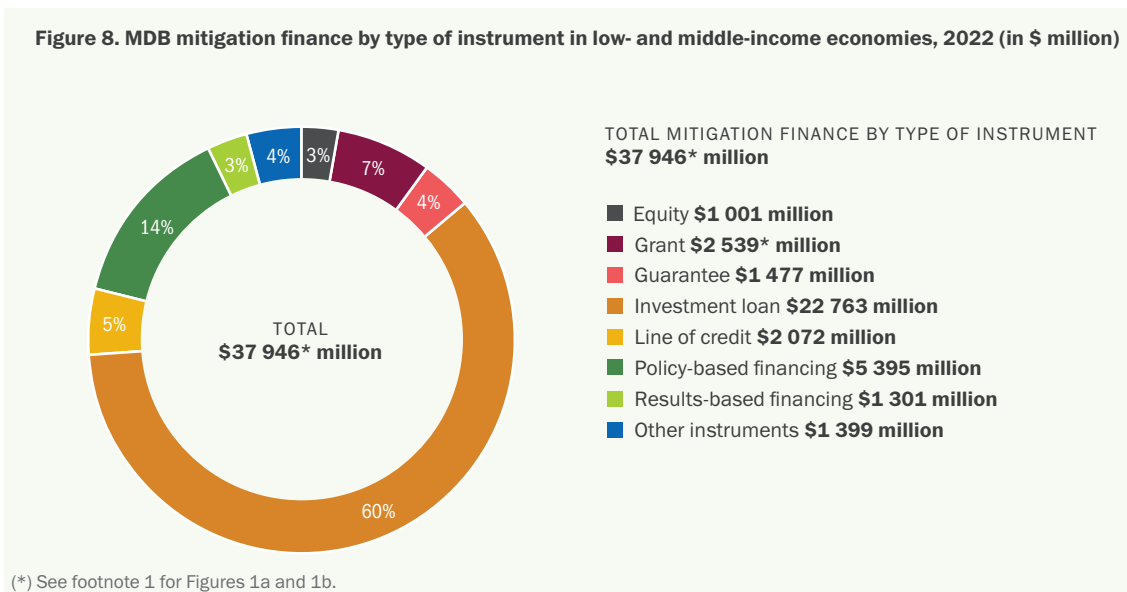


Table 17 shows total mitigation finance by region. The largest proportions of mitigation finance in low- and middle- income economies were in the following regions: Latin America and the Caribbean (24%), Sub-Saharan Africa (20%), and East Asia and the Pacific (19%).

**Table 17. MDB mitigation finance by region in low- and middle-income economies, 2022 (in \$ million)**

| Region                          | Mitigation finance |
|---------------------------------|--------------------|
| Central Asia                    | 1 816              |
| East Asia and the Pacific       | 7 128*             |
| Europe: EU                      | 327                |
| Europe: Non-EU                  | 3 777              |
| Latin America and the Caribbean | 9 036              |
| Middle East and North Africa    | 2 910              |
| South Asia                      | 3 587              |
| Sub-Saharan Africa              | 7 675              |
| Multi-regional                  | 1 689              |
| <b>Total</b>                    | <b>37 946*</b>     |

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

**Figure 9. MDB mitigation finance by region in low- and middle-income economies, 2022 (in \$ million)**

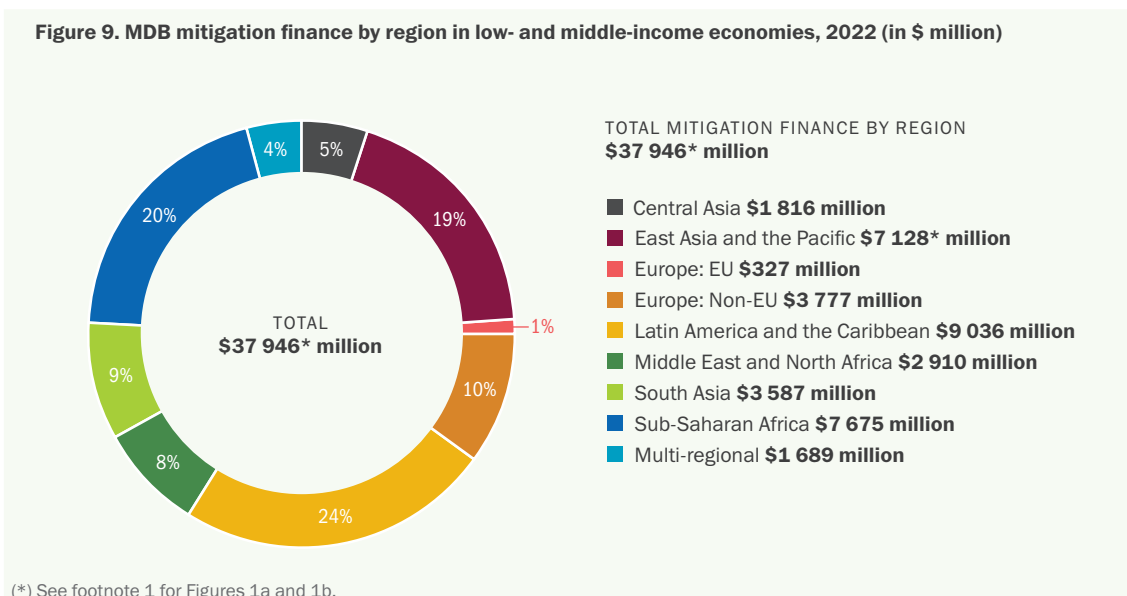


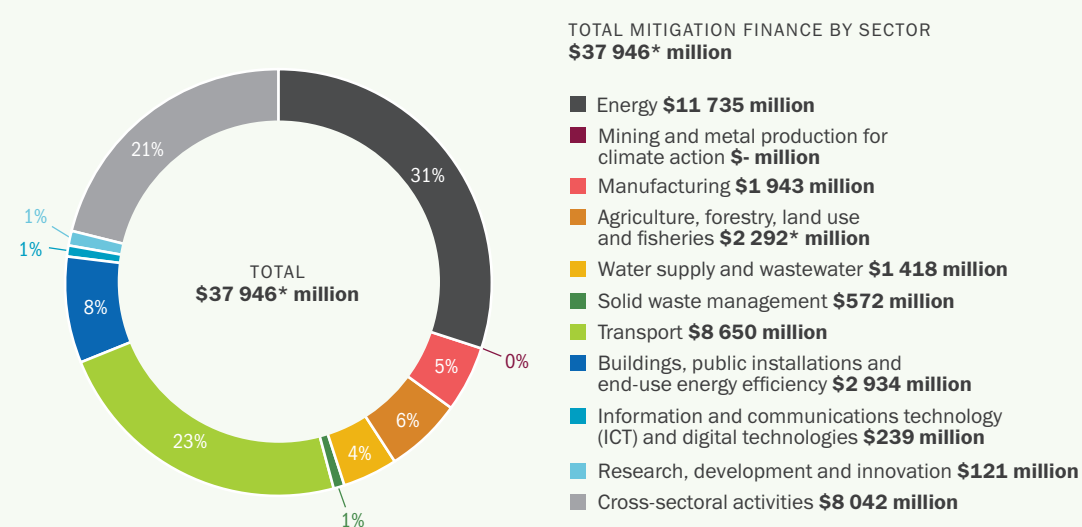
Table 18 reports the multilateral development banks' mitigation finance in low- and middle-income economies by sector with 31% in energy, followed by 23% in transport.

**Table 18. MDB mitigation finance by sector in low- and middle-income economies, 2022 (in \$ million)**

| Region   | Mitigation finance |
|--|--------------------|
| Energy   | 11 735             |
| Mining and metal production for climate action                           | -                  |
| Manufacturing  | 1 943              |
| Agriculture, forestry, land use and fisheries                            | 2 292*             |
| Water supply and wastewater  | 1 418              |
| Solid waste management   | 572                |
| Transport  | 8 650              |
| Buildings, public installations and end-use energy efficiency            | 2 934              |
| Information and communications technology (ICT) and digital technologies | 239                |
| Research, development and innovation                                     | 121                |
| Cross-sectoral activities  | 8 042              |
| <b>Total</b>   | <b>37 946*</b>     |

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

**Figure 10. MDB mitigation finance by sector in low- and middle-income economies, 2022 (in \$ million)**



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

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, 2022 (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   | 888          | 1 407                     | 13                     | 1 200                      | 2 059                           | 759                          | 1 271      | 3 243              | 894            | 11 735 |
| Mining and metal production for climate action | -            | -                         | -                      | -                          | -                               | -                            | -          | -                  | -              | -      |
| Manufacturing                                  | 74           | 253                       | -                      | 617                        | 431                             | 244                          | 15         | 154                | 148            | 1 943  |
| Agriculture, forestry, land use and fisheries  | 228          | 673*                      | -                      | 60                         | 441                             | 90                           | 66         | 681                | 54             | 2 292* |

|  | 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          |
|--|--------------|---------------------------|------------------------|----------------------------|---------------------------------|------------------------------|--------------|--------------------|----------------|----------------|
| Water supply and wastewater  | 33           | 261                       | -                      | 32                         | 514                             | 115                          | 175          | 287                | 0              | 1 417          |
| Solid waste management   | 78           | 272                       | -                      | 29                         | 119                             | 24                           | 1            | 24                 | 24             | 572            |
| Transport  | 145          | 2 642                     | 295                    | 1 004                      | 1 367                           | 1 027                        | 1 123        | 1 006              | 42             | 8 650          |
| Buildings, public installations and end-use energy efficiency            | 163          | 275                       | 17                     | 240                        | 583                             | 462                          | 332          | 604                | 257            | 2 934          |
| Information and communications technology (ICT) and digital technologies | -            | 39                        | -                      | 19                         | 40                              | -                            | 39           | 66                 | 34             | 238            |
| Research, development and innovation                                     | -            | 2                         | 2                      | -                          | 51                              | 1                            | 8            | 39                 | 18             | 121            |
| Cross-sectoral activities  | 207          | 1 296                     | -                      | 574                        | 3 430                           | 188                          | 557          | 1 571              | 218            | 8 041          |
| <b>Total</b>   | <b>1 816</b> | <b>7 128*</b>             | <b>327</b>             | <b>3 777</b>               | <b>9 036</b>                    | <b>2 910</b>                 | <b>3 587</b> | <b>7 675</b>       | <b>1 689</b>   | <b>37 946*</b> |

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

## 2.4 CLIMATE CO-FINANCE IN LOW- AND MIDDLE-INCOME ECONOMIES, 2022

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

Table 21 shows 2022 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 20 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”<sup>19</sup>; 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, gross exposure from the guarantee issuance and the underlying investment may be reported separately under the banks’ own account and private co-finance, while best efforts are made to minimise double counting.

Table 21 reflects the 2022 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, 27 and 48.

**Table 20. Climate co-finance flows by MDB and by thematic focus in low- and middle-income economies, 2022 (in \$ million)**

|                    | AfDB         | ADB          | AiIB         | CEB        | EBRD         | EIB          | IDBG         | IsDB         | NDB          | WBG           | Total climate co-finance | Adjustment for multiple MDB financing |
|--------------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------------------|---------------------------------------|
| Mitigation finance | 1 406        | 4 075        | 2 231        | 181        | 4 376        | 7 010        | 2 447        | 1 163        | 2 114        | 7 550         | 32 553                   | 27 717                                |
| Adaptation finance | 2 582        | 4 297        | 1 648        | 53         | 396          | 2 680        | 1 793        | 110          | -            | 8 435         | 21 993                   | 20 336                                |
| <b>Total</b>       | <b>3 988</b> | <b>8 372</b> | <b>3 879</b> | <b>234</b> | <b>4 772</b> | <b>9 689</b> | <b>4 240</b> | <b>1 273</b> | <b>2 114</b> | <b>15 986</b> | <b>54 546</b>            | <b>48 053</b>                         |

**Table 21. Climate co-finance flows by MDB and by source in low- and middle-income economies, 2022 (in \$ million)**

|                                   | AfDB         | ADB          | AiIB         | CEB        | EBRD         | EIB          | IDBG         | IsDB         | NDB          | WBG           | Total climate co-finance | Adjustment for multiple MDB financing |
|-----------------------------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------------------|---------------------------------------|
| Public direct mobilisation        | 2            | 122          | 80           | -          | -            | 49           | 145          | -            | -            | 6 639         | 7 036                    | 7 036                                 |
| <b>Public co-finance</b>          |              |              |              |            |              |              |              |              |              |               |                          |                                       |
| Other MDBs                        | 1 307        | 934          | 1 985        | -          | 1 736        | 1 260        | 484          | 181          | -            | 875           | 8 762                    | 8 762                                 |
| IDFC members                      | 421          | 476          | 260          | -          | 100          | 729          | 304          | -            | -            | 200           | 2 490                    | 2 061                                 |
| Other international, public       | 865          | 153          | 17           | -          | 15           | 139          | 27           | 1 091        | -            | 1 077         | 3 385                    | 2 808                                 |
| Other domestic, public            | 539          | 6 175        | 1 087        | 234        | 348          | 2 374        | 320          | -            | 1 032        | 352           | 12 461                   | 10 452                                |
| <b>Total private mobilisation</b> |              |              |              |            |              |              |              |              |              |               |                          |                                       |
| Private direct mobilisation       | -            | 187          | -            | -          | 257          | 58           | 1 321        | -            | -            | 2 654         | 4 477                    | 4 477                                 |
| Private indirect mobilisation     | 854          | 325          | 450          | -          | 2 316        | 5 080        | 1 639        | -            | 1 082        | 4 189         | 15 935                   | 12 456                                |
| <b>Total</b>                      | <b>3 988</b> | <b>8 372</b> | <b>3 879</b> | <b>234</b> | <b>4 772</b> | <b>9 689</b> | <b>4 240</b> | <b>1 273</b> | <b>2 114</b> | <b>15 986</b> | <b>54 546</b>            | <b>48 053</b>                         |

19 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.



## MDB CLIMATE FINANCE IN HIGH-INCOME ECONOMIES, 2022

### 3.1 MDB CLIMATE FINANCE IN HIGH-INCOME ECONOMIES

In 2022, the multilateral development banks committed \$38.8 billion to high-income economies. Mitigation finance committed to high-income economies totalled \$36.3 billion, while adaptation finance totalled \$2.5 billion.

Table 22 shows MDBs' climate finance for high-income economies. Out of the \$38.8 billion of climate finance committed to high-income economies, \$38.7 billion was from the multilateral development banks' own accounts and \$0.1 billion from external resources that were channelled through them.

**Table 22. MDB climate finance in high-income economies, 2022 (in \$ million)**

|                                | AfDB | ADB      | AIIB      | CEB        | EBRD         | EIB           | IDBG         | IsDB     | NDB      | WBG          | Total         |
|--------------------------------|------|----------|-----------|------------|--------------|---------------|--------------|----------|----------|--------------|---------------|
| Own account                    | -    | 2        | 80        | 618        | 2 455        | 32 869        | 1 278        | 0        | -        | 1 365        | 38 667        |
| MDB-managed external resources | -    | 1        | -         | -          | 14           | 44            | 10           | -        | -        | 53           | 123           |
| <b>MDB climate finance</b>     | -    | <b>3</b> | <b>80</b> | <b>618</b> | <b>2 469</b> | <b>32 913</b> | <b>1 288</b> | <b>0</b> | <b>-</b> | <b>1 419</b> | <b>38 789</b> |

Notes:

1. Numbers in the tables and figures in this report may not add up to the totals shown, due to rounding.
2. "MDB climate finance" refers to the sum of the climate finance from the MDBs' own accounts and the 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 the Insurance of Investment and Export Credit (ICIEC).

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

**Table 23. MDB climate finance by scope in high-income economies, 2022 (in \$ million)**

| MDB          | Adaptation finance | Mitigation finance | MDB climate finance |
|--------------|--------------------|--------------------|---------------------|
| AfDB         | -                  | -                  | -                   |
| ADB          | 1                  | 2                  | 3                   |
| AIIB         | 32                 | 48                 | 80                  |
| CEB          | 11                 | 608                | 618                 |
| EBRD         | 7                  | 2 462              | 2 469               |
| EIB          | 1 562              | 31 351             | 32 913              |
| IDBG         | 715                | 573                | 1 288               |
| IsDB         | 0                  | 0                  | 0                   |
| NDB          | -                  | -                  | -                   |
| WBG          | 188                | 1 231              | 1 419               |
| <b>Total</b> | <b>2 515</b>       | <b>36 274</b>      | <b>38 789</b>       |

Notes:

1. In certain cases, MDBs finance activities that have simultaneous benefits for mitigation and adaptation. The 2022 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 \$7 million, the IDBG reported \$398 million, and the IsDB reported \$0.1 million as dual-benefit projects. Note that the IDBG and the IsDB split 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 first recipients or borrowers<sup>20</sup> 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, 2022 (in \$ million)**

| Type of recipient or borrower | MDB own account | MDB-managed external resources |
|-------------------------------|-----------------|--------------------------------|
| Public recipient/borrower     | 19 935          | 71                             |
| Private recipient/borrower    | 18 731          | 52                             |
| <b>Total</b>                  | <b>38 667</b>   | <b>123</b>                     |

**Table 25. MDB climate finance by type of recipient or borrower in high-income economies, 2022 (in \$ million)**

| MDB          | Private       | Public        |
|--------------|---------------|---------------|
| AfDB         | -             | -             |
| ADB          | 1             | 2             |
| AIIB         | 80            | -             |
| CEB          | -             | 618           |
| EBRD         | 2 363         | 106           |
| EIB          | 15 605        | 17 307        |
| IDBG         | 57            | 1 231         |
| IsDB         | -             | 0             |
| NDB          | -             | -             |
| WBG          | 678           | 741           |
| <b>Total</b> | <b>18 783</b> | <b>20 006</b> |

<sup>20</sup> 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 80% of high-income economies' climate finance was committed through investment loans, followed by lines of credit, which represent 11%. Illustrative examples of various type of instrument are presented in Tables from [Annex C.5](#).

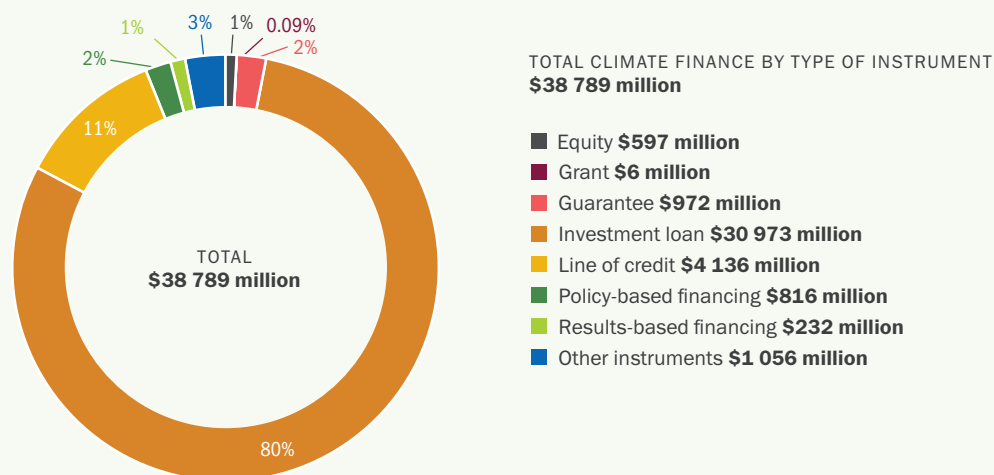
**Table 26. MDB climate finance by type of instrument in high-income economies, 2022 (in \$ million)**

| Instrument type         | Climate finance |
|-------------------------|-----------------|
| Equity                  | 597             |
| Grant                   | 6               |
| Guarantee               | 972             |
| Investment loan         | 30 973          |
| Line of credit          | 4 136           |
| Policy-based financing  | 816             |
| Results-based financing | 232             |
| Other instruments       | 1 056           |
| <b>Total</b>            | <b>38 789</b>   |

Notes:

- [Annex C.5](#) defines the various types of instrument.
- 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, 2022 (in \$ million)**



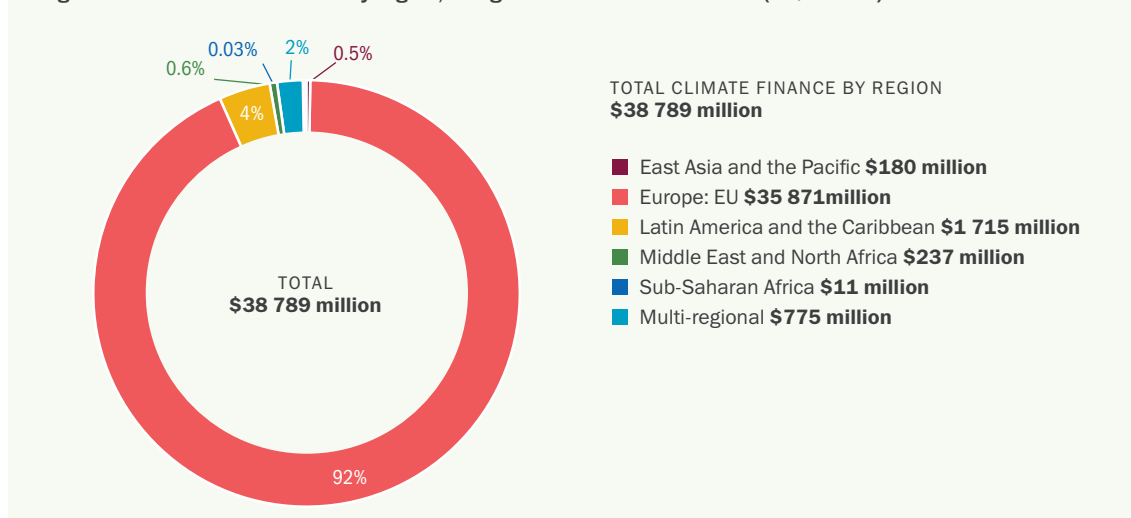
### 3.1.3 MDB CLIMATE FINANCE BY REGION IN HIGH-INCOME ECONOMIES

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 2022 (in \$ million)**

| Region                          | Climate finance |
|---------------------------------|-----------------|
| Central Asia                    | -               |
| East Asia and the Pacific       | 180             |
| Europe: European Union          | 35 871          |
| Europe: Non-European Union      | -               |
| Latin America and the Caribbean | 1 715           |
| Middle East and North Africa    | 237             |
| South Asia                      | -               |
| Sub-Saharan Africa              | 11              |
| Multi-regional                  | 775             |
| <b>Total</b>                    | <b>38 789</b>   |

**Figure 12. MDB climate finance by region, in high-income economies 2022 (in \$ million)**



### 3.2 MDB ADAPTATION FINANCE IN HIGH-INCOME ECONOMIES, 2022

Of the \$25.2 billion committed for adaptation finance, \$2.5 billion, or 10%, was committed to high-income economies.

Table 28 presents the 2022 adaptation figures for the multilateral development banks in 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, 2022 (in \$ million)**

|                                | AfDB     | ADB      | AIIB      | CEB       | EBRD     | EIB          | IDBG       | IsDB     | NDB      | WBG        | Total        |
|--------------------------------|----------|----------|-----------|-----------|----------|--------------|------------|----------|----------|------------|--------------|
| MDB own account                | -        | 1        | 32        | 11        | 7        | 1 562        | 711        | 0        | -        | 150        | 2 473        |
| MDB-managed external resources | -        | 1        | -         | -         | -        | -            | 5          | -        | -        | 37         | 42           |
| <b>Total</b>                   | <b>0</b> | <b>1</b> | <b>32</b> | <b>11</b> | <b>7</b> | <b>1 562</b> | <b>715</b> | <b>0</b> | <b>0</b> | <b>188</b> | <b>2 515</b> |

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, 2022 (in \$ million)**

| MDB          | Private    | Public       |
|--------------|------------|--------------|
| AfDB         | -          | -            |
| ADB          | 0          | 1            |
| AIIB         | 32         | -            |
| CEB          | -          | 11           |
| EBRD         | 5          | 3            |
| EIB          | 135        | 1 426        |
| IDBG         | 17         | 698          |
| IsDB         | -          | 0            |
| NDB          | -          | -            |
| WBG          | 0          | 188          |
| <b>Total</b> | <b>188</b> | <b>2 327</b> |

Table 30 breaks down MDB adaptation finance by the type of instrument. The multilateral development banks reported that 70% 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, 2022 (in \$ million)**

| Instrument type         | Adaptation finance |
|-------------------------|--------------------|
| Equity                  | 12                 |
| Grant                   | 3                  |
| Guarantee               | 160                |
| Investment loan         | 1 763              |
| Line of credit          | 326                |
| Policy-based financing  | 208                |
| Results-based financing | -                  |
| Other instruments       | 43                 |
| <b>Total</b>            | <b>2 515</b>       |

**Figure 13. MDB adaptation finance by type of instrument in high-income economies, 2022 (in \$ million)**

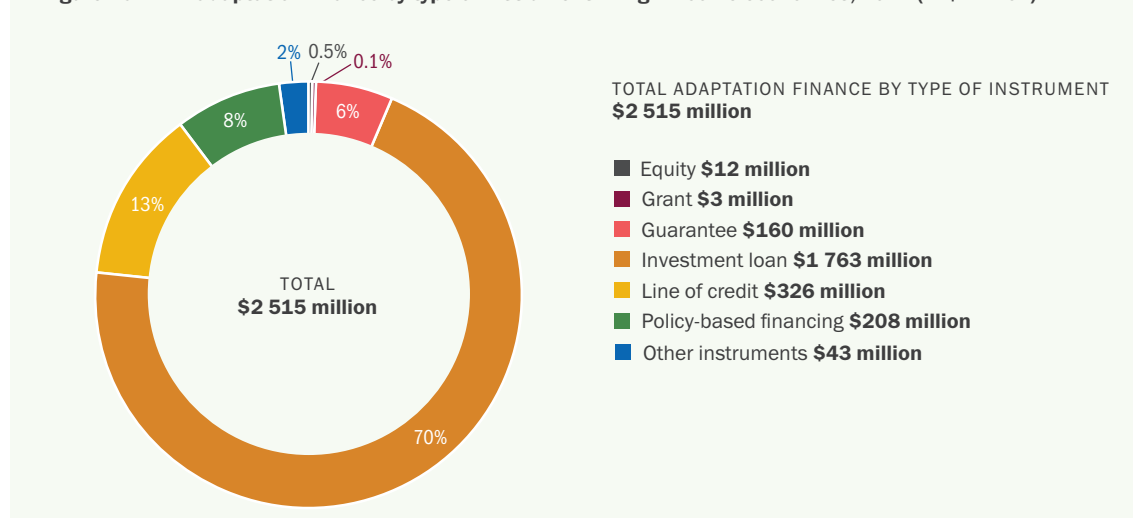


Table 31 shows total adaptation finance in high-income economies by region. The largest proportions of adaptation finance were in the European Union (62%) and Latin America and the Caribbean (35%).

**Table 31. MDB adaptation finance by region in high-income economies, 2022 (in \$ million)**

| Region                          | Adaptation finance |
|---------------------------------|--------------------|
| Central Asia                    | -                  |
| East Asia and the Pacific       | 33                 |
| Europe: European Union          | 1 567              |
| Europe: Non-European Union      | -                  |
| Latin America and the Caribbean | 876                |
| Middle East and North Africa    | 21                 |
| South Asia                      | -                  |
| Sub-Saharan Africa              | 11                 |
| Multi-regional                  | 8                  |
| <b>Total</b>                    | <b>2 515</b>       |

**Figure 14. MDB adaptation finance by region in high-income economies, 2022 (in \$ million)**

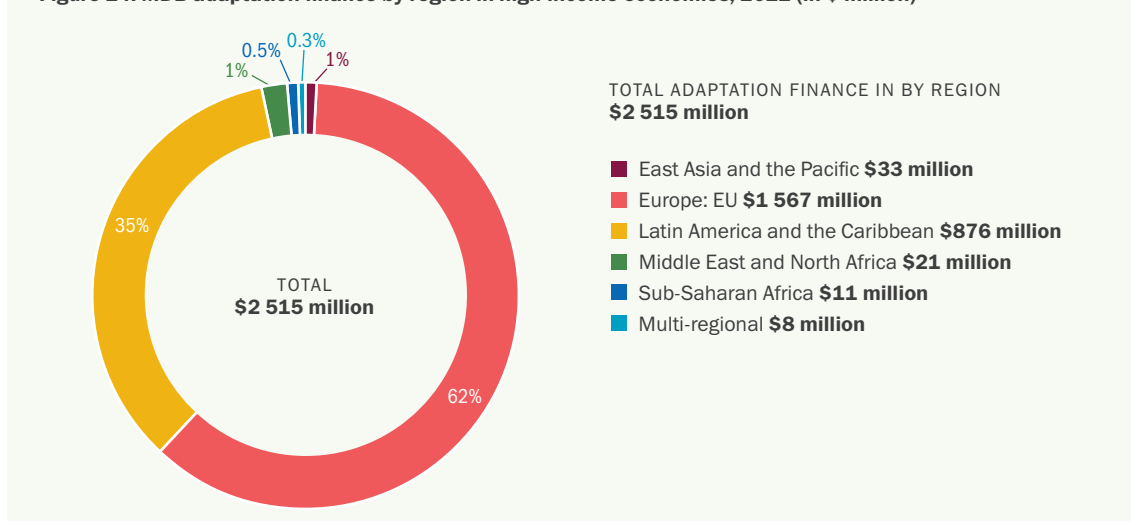


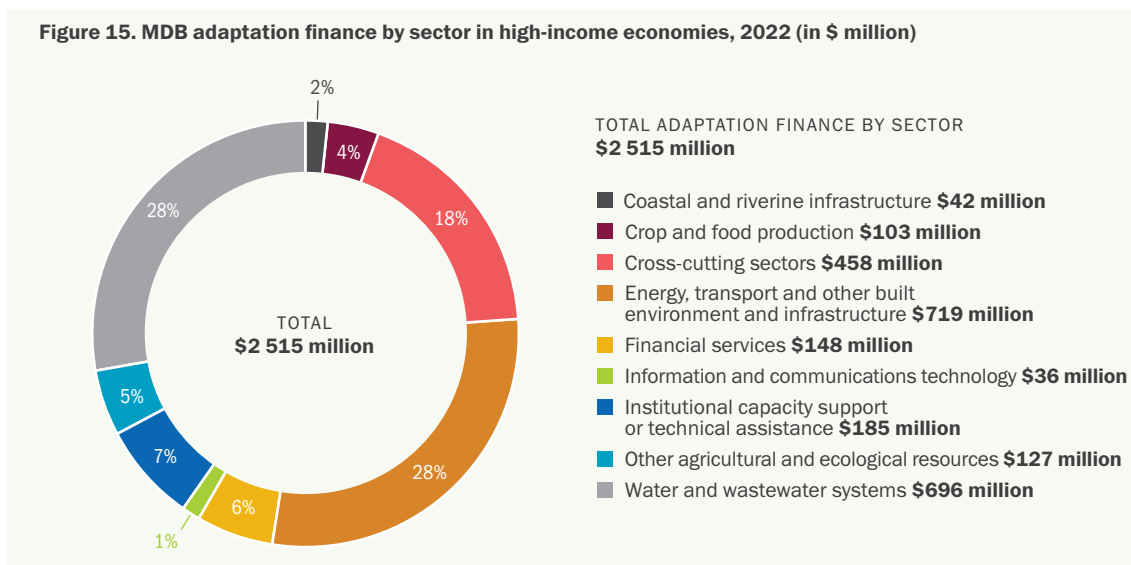
Table 32 reports MDB adaptation finance in high-income economies by sector, with a share of 29% in energy, transport, and other built environment and infrastructure, and 28% in water and wastewater systems.

**Table 32. MDB adaptation finance by sector in high-income economies, 2022 (in \$ million)**

| Sector group  | Adaptation finance |
|---|--------------------|
| Coastal and riverine infrastructure                               | 42                 |
| Crop and food production  | 103                |
| Cross-cutting sectors   | 458                |
| Energy, transport, and other built environment and infrastructure | 719                |
| Financial services  | 148                |
| Industry, manufacturing and trade                                 | -                  |
| Information and communications technology                         | 36                 |
| Institutional capacity support or technical assistance            | 185                |
| Other agricultural and ecological resources                       | 127                |
| Water and wastewater systems                                      | 696                |
| <b>Total</b>  | <b>2 515</b>       |



**Figure 15. MDB adaptation finance by sector in high-income economies, 2022 (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, 2022 (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                               | -            | -                         | 14                     | -                          | 28                              | -                            | -          | -                  | -              | 42    |
| Crop and food production  | -            | -                         | 95                     | -                          | 8                               | -                            | -          | -                  | 0              | 103   |
| Cross-cutting sectors   | -            | 32                        | 15                     | -                          | 410                             | -                            | -          | -                  | 1              | 458   |
| Energy, transport, and other built environment and infrastructure | -            | 0                         | 692                    | -                          | 25                              | -                            | -          | -                  | 1              | 719   |
| Financial services  | -            | -                         | 48                     | -                          | 75                              | 21                           | -          | -                  | 4              | 148   |
| Industry, manufacturing and trade                                 | -            | -                         | -                      | -                          | -                               | -                            | -          | -                  | -              | -     |
| Information and communications technology                         | -            | -                         | 0                      | -                          | 29                              | -                            | -          | 7                  | 0              | 36    |
| Institutional capacity support or technical assistance            | -            | -                         | 67                     | -                          | 117                             | -                            | -          | -                  | 2              | 185   |
| Other agricultural and ecological resources                       | -            | -                         | 8                      | -                          | 115                             | -                            | -          | 4                  | 0              | 127   |

|                              | 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        |
|------------------------------|--------------|---------------------------|------------------------|----------------------------|---------------------------------|------------------------------|------------|--------------------|----------------|--------------|
| Water and wastewater systems | -            | -                         | 628                    | -                          | 69                              | -                            | -          | -                  | 0              | 696          |
| <b>Total</b>                 | <b>0</b>     | <b>33</b>                 | <b>1 567</b>           | <b>0</b>                   | <b>876</b>                      | <b>21</b>                    | <b>0</b>   | <b>11</b>          | <b>8</b>       | <b>2 515</b> |

### 3.3 MDB MITIGATION FINANCE IN HIGH-INCOME ECONOMIES, 2022

In 2022, the multilateral development banks reported a total of \$74.2 billion in financial commitments to the mitigation of climate change, with \$36.3 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, 2022 (in \$ million)**

|                                | AfDB     | ADB      | AIIB      | CEB        | EBRD         | EIB           | IDBG       | IsDB     | NDB      | WBG          | Total         |
|--------------------------------|----------|----------|-----------|------------|--------------|---------------|------------|----------|----------|--------------|---------------|
| MDB own account                | -        | 1        | 48        | 608        | 2 447        | 31 308        | 567        | 0        | -        | 1 215        | 36 194        |
| MDB-managed external resources | -        | 1        | -         | -          | 14           | 44            | 5          | -        | -        | 16           | 80            |
| <b>Total</b>                   | <b>0</b> | <b>2</b> | <b>48</b> | <b>608</b> | <b>2 462</b> | <b>31 351</b> | <b>573</b> | <b>0</b> | <b>0</b> | <b>1 231</b> | <b>36 274</b> |

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, 2022 (in \$ million)**

| MDB          | Private       | Public        |
|--------------|---------------|---------------|
| AfDB         | -             | -             |
| ADB          | 1             | 1             |
| AIIB         | 48            | -             |
| CEB          | -             | 608           |
| EBRD         | 2 359         | 103           |
| EIB          | 15 470        | 15 881        |
| IDBG         | 40            | 533           |
| IsDB         | -             | 0             |
| NDB          | -             | -             |
| WBG          | 678           | 553           |
| <b>Total</b> | <b>18 595</b> | <b>17 680</b> |

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 MDB and by type of instrument in high-income economies, 2022 (in \$ million)**

| Instrument type         | Mitigation finance |
|-------------------------|--------------------|
| Equity                  | 585                |
| Grant                   | 3                  |
| Guarantee               | 812                |
| Investment loan         | 29 210             |
| Line of credit          | 3 810              |
| Policy-based financing  | 608                |
| Results-based financing | 232                |
| Other instruments       | 1 013              |
| <b>Total</b>            | <b>36 274</b>      |

**Figure 16. MDB mitigation finance by MDB and by type of instrument in high-income economies, 2022 (in \$ million)**

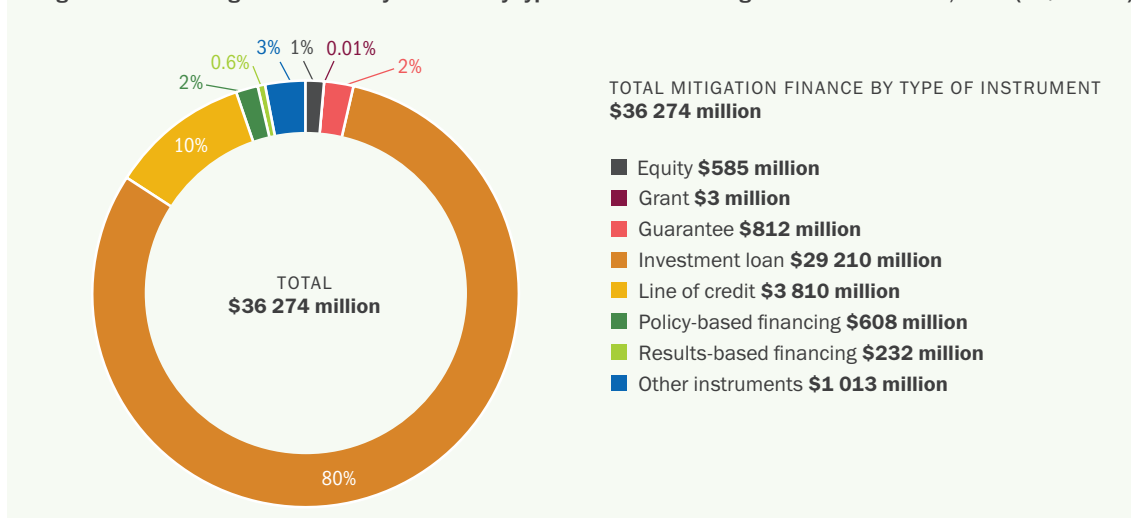


Table 37 shows total mitigation finance by region. The largest proportions of mitigation finance for high-income economies were for the European Union.

**Table 37. MDB mitigation finance by MDB and by region in high-income economies, 2022 (in \$ million)**

| Region                          | Mitigation finance |
|---------------------------------|--------------------|
| Central Asia                    | -                  |
| East Asia and the Pacific       | 148                |
| Europe: European Union          | 34 303             |
| Europe: Non-European Union      | -                  |
| Latin America and the Caribbean | 840                |
| Middle East and North Africa    | 216                |
| South Asia                      | -                  |
| Sub-Saharan Africa              | -                  |
| Multi-regional                  | 767                |
| <b>Total</b>                    | <b>36 274</b>      |

**Figure 17. MDB mitigation finance by region in high-income economies, 2022 (in \$ million)**

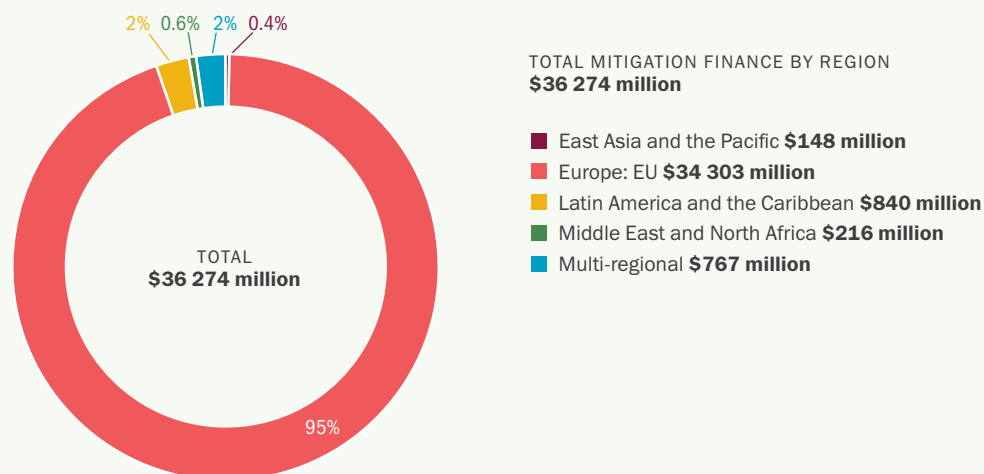
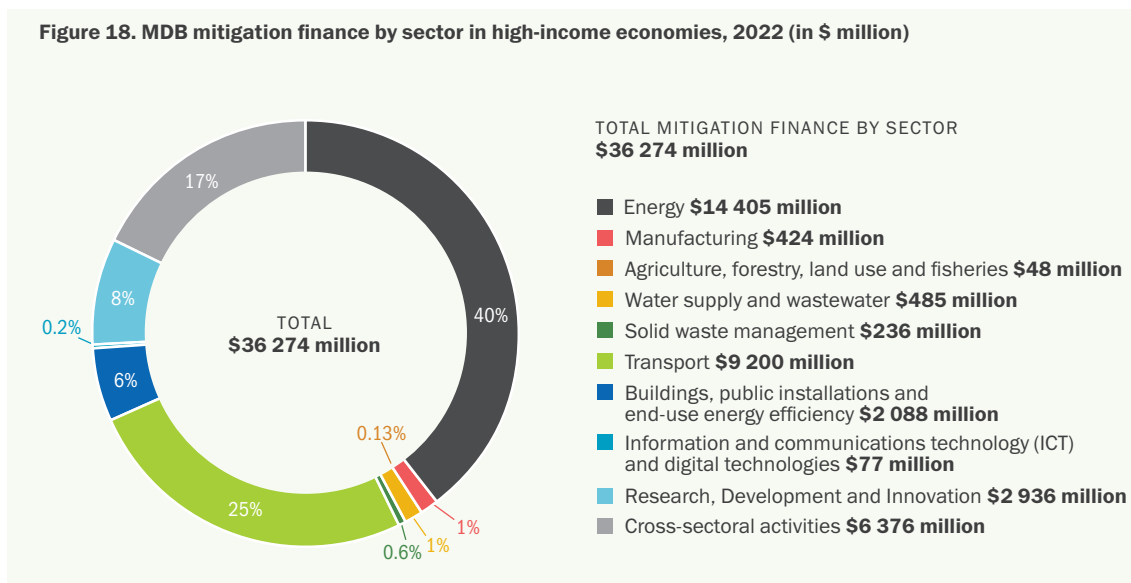


Table 38 reports MDBs' mitigation finance by sector in high-income economies, with 40% in energy, followed by 25% in transport.

**Table 38. MDB mitigation finance by sector in high-income economies, 2022 (in \$ million)**

| Region   | Mitigation finance |
|--|--------------------|
| Energy   | 14 405             |
| Mining and metal production for climate action                           | -                  |
| Manufacturing  | 424                |
| Agriculture, forestry, land use and fisheries                            | 48                 |
| Water supply and wastewater  | 485                |
| Solid waste management   | 236                |
| Transport  | 9 200              |
| Buildings, public installations and end-use energy efficiency            | 2 088              |
| Information and communications technology (ICT) and digital technologies | 77                 |
| Research, Development and Innovation                                     | 2 936              |
| Cross-sectoral activities  | 6 376              |
| <b>Total</b>   | <b>36 274</b>      |

**Figure 18. MDB mitigation finance by sector in high-income economies, 2022 (in \$ million)**



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

**Table 39. MDB mitigation finance by sector and by region in high-income economies, 2022 (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  | -            | 112                       | 13 416                 | -                          | 492                             | 142                          | -          | -                  | 242            | 14 405 |
| Mining and metal production for climate action                | -            | -                         | -                      | -                          | -                               | -                            | -          | -                  | -              | -      |
| Manufacturing   | -            | -                         | 269                    | -                          | -                               | -                            | -          | -                  | 155            | 424    |
| Agriculture, forestry, land use and fisheries                 | -            | -                         | 42                     | -                          | 5                               | -                            | -          | -                  | 2              | 48     |
| Water supply and wastewater                                   | -            | -                         | 485                    | -                          | 0                               | -                            | -          | -                  | 0              | 485    |
| Solid waste management  | -            | -                         | 223                    | -                          | 0                               | -                            | -          | -                  | 12             | 236    |
| Transport   | -            | 0                         | 9 059                  | -                          | 1                               | 21                           | -          | -                  | 118            | 9 200  |
| Buildings, public installations and end-use energy efficiency | -            | 0                         | 1 884                  | -                          | 30                              | -                            | -          | -                  | 174            | 2 088  |

|  |          |            |               |          |            |            |          |          |            |               |
|--|----------|------------|---------------|----------|------------|------------|----------|----------|------------|---------------|
| Information and communications technology (ICT) and digital technologies | -        | -          | 59            | -        | 10         | -          | -        | -        | 8          | 77            |
| Research, development and innovation                                     | -        | 0          | 2 932         | -        | 2          | -          | -        | -        | 1          | 2 936         |
| Cross-sectoral activities  | -        | 35         | 5 933         | -        | 299        | 53         | -        | -        | 55         | 6 376         |
| <b>Total</b>   | <b>-</b> | <b>148</b> | <b>34 303</b> | <b>-</b> | <b>840</b> | <b>216</b> | <b>-</b> | <b>-</b> | <b>767</b> | <b>36 274</b> |

### 3.4 CLIMATE CO-FINANCE IN HIGH-INCOME ECONOMIES, 2022

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, 2022 (in \$ million)**

|                    | AfDB     | ADB       | AiIB       | CEB          | EBRD         | EIB           | IDBG       | IsDB     | NDB      | WBG          | Total climate co-finance | Adjustment for multiple MDB financing |
|--------------------|----------|-----------|------------|--------------|--------------|---------------|------------|----------|----------|--------------|--------------------------|---------------------------------------|
| Mitigation finance | -        | 14        | 9          | 1 354        | 6 994        | 47 608        | 455        | -        | -        | 5 444        | 61 878                   | 61 580                                |
| Adaptation finance | -        | -         | 283        | 57           | 708          | 9 165         | 213        | -        | -        | 9            | 10 433                   | 10 434                                |
| <b>Total</b>       | <b>-</b> | <b>14</b> | <b>292</b> | <b>1 411</b> | <b>7 702</b> | <b>56 772</b> | <b>668</b> | <b>-</b> | <b>-</b> | <b>5 453</b> | <b>72 311</b>            | <b>72 014</b>                         |

**Table 41. Climate co-finance flows by MDB and by source in high-income economies, 2022 (in \$ million)**

|                                   | AfDB     | ADB       | AiIB       | CEB          | EBRD         | EIB           | IDBG       | IsDB     | NDB      | WBG          | Total climate co-finance | Adjustment for multiple MDB financing |
|-----------------------------------|----------|-----------|------------|--------------|--------------|---------------|------------|----------|----------|--------------|--------------------------|---------------------------------------|
| Public direct mobilisation        | -        | -         | 5          | -            | -            | 451           | 0          | -        | -        | 3 171        | 3 626                    | 3 626                                 |
| <b>Public co-finance</b>          |          |           |            |              |              |               |            |          |          |              |                          |                                       |
| Other MDBs                        | -        | -         | -          | -            | 226          | -             | -          | -        | -        | 6            | 231                      | 231                                   |
| IDFC members                      | -        | -         | -          | -            | -            | 334           | -          | -        | -        | -            | 334                      | 334                                   |
| Other international public        | -        | -         | 5          | -            | -            | 7 845         | 2          | -        | -        | 17           | 7 868                    | 7 868                                 |
| Other domestic public             | -        | 2         | -          | 1 411        | 1            | 6 642         | 10         | -        | -        | -            | 8 066                    | 8 066                                 |
| <b>Total private mobilisation</b> |          |           |            |              |              |               |            |          |          |              |                          |                                       |
| Private direct mobilisation       | -        | -         | -          | -            | 142          | 7 303         | 490        | -        | -        | 933          | 8 868                    | 8 868                                 |
| Private indirect mobilisation     | -        | 12        | 283        | -            | 7 333        | 34 199        | 166        | -        | -        | 1 326        | 43 318                   | 43 021                                |
| <b>Total</b>                      | <b>-</b> | <b>14</b> | <b>292</b> | <b>1 411</b> | <b>7 702</b> | <b>56 772</b> | <b>668</b> | <b>-</b> | <b>-</b> | <b>5 453</b> | <b>72 311</b>            | <b>72 014</b>                         |





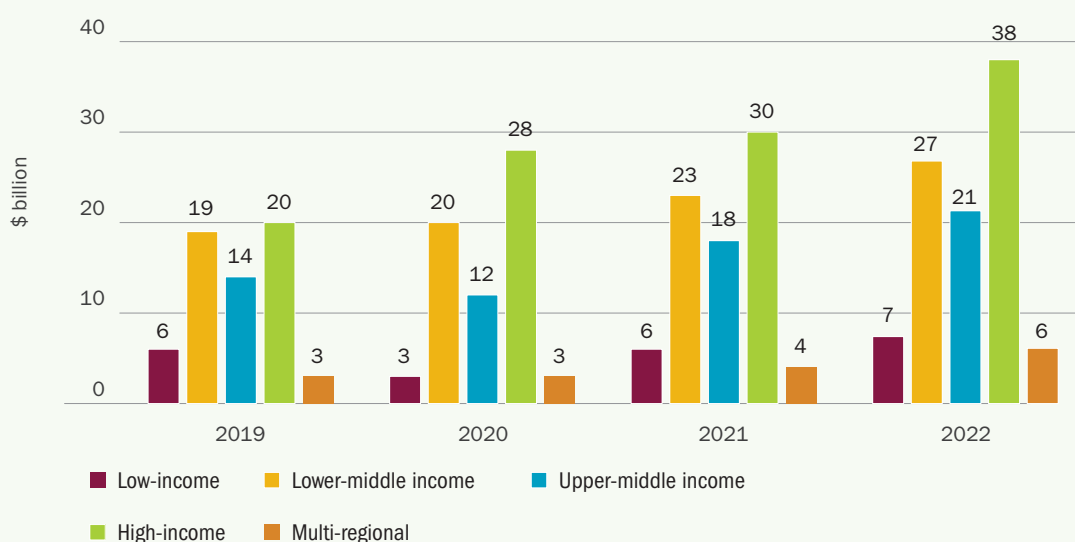
## ANNEX A

### FURTHER DETAILED ANALYSIS OF MDB CLIMATE FINANCE DATA

The 2022 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, 2019-2022 (in \$ billion)**



**Figure 20. Total MDB climate finance commitments in all economies where the multilateral development banks operate, 2022 (in \$ million)**

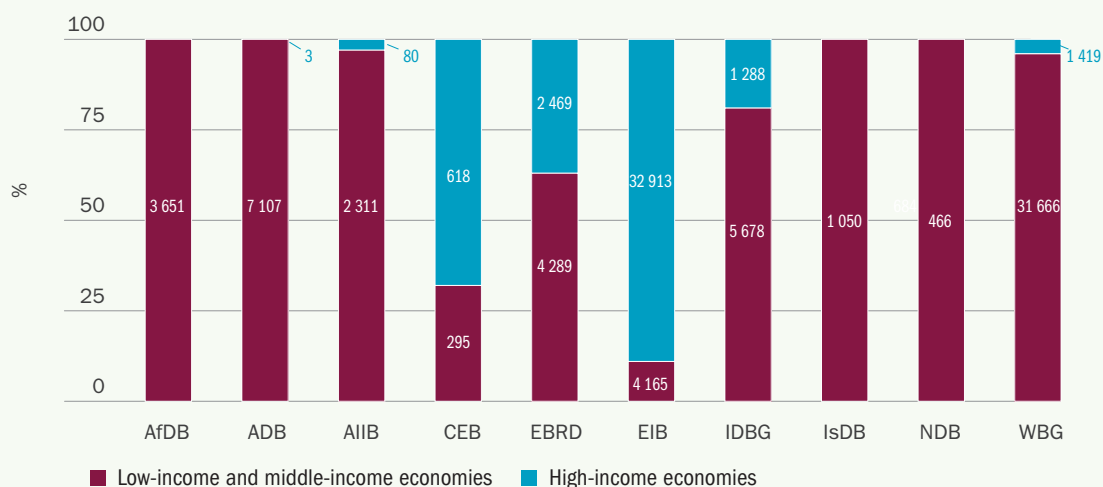


Table 42 presents data on MDB climate finance by type of recipient or borrower<sup>21</sup>. In 2022, MDBs reported \$68.7 billion of their climate finance as being for public entities and \$30.8 billion for private entities. The data also show a total of \$120.1 billion coming from climate co-finance, with 74% in mitigation projects, and 43% 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, 2022 (in \$ million)**

| MDB CLIMATE FINANCE |                                      |                           |
|---------------------|--------------------------------------|---------------------------|
|                     | For low- and middle-income economies | For high-income economies |
| Mitigation          | 37 946*                              | 36 274                    |
| Adaptation          | 22 718*                              | 2 515                     |
| Public              | 48 637                               | 20 006                    |
| Private             | 12 027                               | 18 783                    |
| CLIMATE CO-FINANCE  |                                      |                           |
|                     | For low- and middle-income economies | For high-income economies |
| Mitigation          | 27 717                               | 61 580                    |
| Adaptation          | 20 336                               | 10 433                    |
| Public              | 31 119                               | 20 125                    |
| Private             | 16 933                               | 51 889                    |

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 \$14 million (\$7 million for mitigation and \$7 million for adaptation) and reported under ERUM, is excluded from the MDB total amounts to avoid double counting. Subtracting this amount from ADB's total climate finance for low- and middle-income economies yields to \$37 946 million for mitigation in low- and middle-income economies (\$74 227 million for total mitigation finance), and \$22 718 million for adaptation in low- and middle-income economies (\$25 233 million for total adaptation finance).

Table 43 shows total MDB climate finance for all economies where they operate. Of the \$99.5 billion, \$96.3 billion came from the MDBs' own accounts and \$3.1 billion from external resources that were channelled through the institutions.

**Table 43. Total MDB climate finance, 2022 (in \$ million)**

|   | AFDB  | ADB   | AIIB  | CEB | EBRD  | EIB    | IDBG  | ISDB  | NDB | WBG    | TOTAL MDBS |
|---|-------|-------|-------|-----|-------|--------|-------|-------|-----|--------|------------|
| <b>For low- and middle-income economies</b> |       |       |       |     |       |        |       |       |     |        |            |
| Own account                                 | 3 151 | 6 721 | 2 311 | 295 | 3 949 | 4 097  | 5 304 | 1 050 | 466 | 30 334 | 57 679     |
| MDB-managed external resources              | 500   | 385   | -     | -   | 340   | 67     | 373   | -     | -   | 1 333  | 2 985*     |
| <b>For high-income economies</b>            |       |       |       |     |       |        |       |       |     |        |            |
| Own account                                 | -     | 2     | 80    | 618 | 2 455 | 28 055 | 659   | 0     | -   | 1 365  | 38 667     |
| MDB-managed external resources              | -     | 1     | -     | -   | 14    | 79     | 79    | -     | -   | 53     | 123        |

21 See [Annex C.1](#) for the definitions of public and private recipients or borrowers.

|   | AFDB | ADB | AIIB | CEB | EBRD | EIB | IDBG | ISDB | NDB | WBG | TOTAL MDBS |
|---|------|-----|------|-----|------|-----|------|------|-----|-----|------------|
| <i>Climate finance from MDB own account, as a percentage of MDB operations from MDB own account</i>   | 43%  | 38% | 35%  | 20% | 47%  | 59% | 33%  | 33%  | 28% | 36% | 43%        |
| <i>MDB climate finance as a percentage of total MDB operations</i>  | 45%  | 39% | 35%  | 20% | 43%  | 57% | 34%  | 33%  | 28% | 37% | 43%        |
| Notes:  |      |     |      |     |      |     |      |      |     |     |            |
| 1. Numbers in the tables and figures in this report may not add up to the totals shown, due to rounding.  |      |     |      |     |      |     |      |      |     |     |            |
| 2. "MDB climate finance" refers to the sum of the climate finance from the MDBs' own accounts and the MDB-managed external resources.   |      |     |      |     |      |     |      |      |     |     |            |
| 3. "Total MDB operations" refers to the sum of the MDBs' own accounts and MDB-managed external resources.   |      |     |      |     |      |     |      |      |     |     |            |
| 4. 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).                                     |      |     |      |     |      |     |      |      |     |     |            |
| 5. (*) Considering the explanation provided in Figures 1a and 1b about ADB external resources, climate finance from AIIB financing for one project, amounting to \$14 million, reported under ERUM is excluded from the MDB total amounts to avoid double counting. Subtracting this amount from ADB's total climate finance yields to \$7 096 million. |      |     |      |     |      |     |      |      |     |     |            |
| 6. AIIB's 2022 climate finance share was calculated including projects financed through the bank's COVID-19 Crisis Recovery Facility (CRF).   |      |     |      |     |      |     |      |      |     |     |            |

## 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, 2022 (in \$ million)**

| FOR LOW- AND MIDDLE-INCOME ECONOMIES |                    |                    |                     |
|--------------------------------------|--------------------|--------------------|---------------------|
| MDB                                  | Adaptation finance | Mitigation finance | MDB climate finance |
| AfDB                                 | 2 276              | 1 375              | 3 651               |
| ADB                                  | 2 829              | 4 227              | 7 107               |
| AIIB                                 | 423                | 1 889              | 2 311               |
| CEB                                  | 211                | 84                 | 295                 |
| EBRD                                 | 300                | 3 989              | 4 289               |
| EIB                                  | 431                | 3 734              | 4 165               |
| IDBG                                 | 2 045              | 3 633              | 5 678               |
| IsDB                                 | 571                | 479                | 1 050               |
| NDB                                  | 0                  | 466                | 466                 |
| WBG                                  | 13 640             | 18 027             | 31 666              |
| <b>Total</b>                         | <b>22 718*</b>     | <b>37 946*</b>     | <b>60 664*</b>      |
| FOR HIGH-INCOME ECONOMIES            |                    |                    |                     |
| MDB                                  | Adaptation finance | Mitigation finance | MDB climate finance |
| AfDB                                 | -                  | -                  | -                   |
| ADB                                  | 1                  | 2                  | 3                   |
| AIIB                                 | 32                 | 48                 | 80                  |
| CEB                                  | 11                 | 608                | 618                 |

|              |              |               |               |
|--------------|--------------|---------------|---------------|
| EBRD         | 7            | 2 462         | 2 469         |
| EIB          | 1 562        | 31 351        | 32 913        |
| IDBG         | 715          | 573           | 1 288         |
| IsDB         | 0            | 0             | 0             |
| NDB          | -            | -             | -             |
| WBG          | 188          | 1 231         | 1 419         |
| <b>Total</b> | <b>2 515</b> | <b>36 274</b> | <b>38 789</b> |

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

The multilateral development banks report on the nature of first recipients or borrowers<sup>22</sup> 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, 2022 (in \$ million)**

| Type of recipient or borrower | FOR LOW- AND MIDDLE-INCOME ECONOMIES |                                |
|-------------------------------|--------------------------------------|--------------------------------|
|                               | MDB own account                      | MDB-managed external resources |
| Public recipient or borrower  | 46 146                               | 2 491*                         |
| Private recipient or borrower | 11 532                               | 495                            |
| <b>Total</b>                  | <b>57 679</b>                        | <b>2 985*</b>                  |
| Type of recipient or borrower | FOR HIGH-INCOME ECONOMIES            |                                |
|                               | MDB own account                      | MDB-managed external resources |
| Public recipient or borrower  | 19 935                               | 71                             |
| Private recipient or borrower | 18 731                               | 52                             |
| <b>Total</b>                  | <b>38 667</b>                        | <b>123</b>                     |

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

**Table 46. Total MDB climate finance by type of recipient or borrower and by income level group, 2022 (in \$ million)**

| MDB          | FOR LOW- AND MIDDLE-INCOME ECONOMIES |                | FOR HIGH-INCOME ECONOMIES |               |
|--------------|--------------------------------------|----------------|---------------------------|---------------|
|              | Private                              | Public         | Private                   | Public        |
| AfDB         | 777                                  | 2 874          | -                         | -             |
| ADB          | 547                                  | 6 560          | 1                         | 2             |
| AIIB         | 648                                  | 1 664          | 80                        | -             |
| CEB          | -                                    | 295            | -                         | 618           |
| EBRD         | 2 707                                | 1 581          | 2 363                     | 106           |
| EIB          | 1 440                                | 2 724          | 15 605                    | 17 307        |
| IDBG         | 1 014                                | 4 664          | 57                        | 1 231         |
| IsDB         | -                                    | 1 050          | -                         | 0             |
| NDB          | -                                    | 466            | -                         | -             |
| WBG          | 4 894                                | 26 773         | 678                       | 741           |
| <b>Total</b> | <b>12 027</b>                        | <b>48 637*</b> | <b>18 783</b>             | <b>20 006</b> |

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

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

The multilateral development banks reported that 68% of total climate finance was committed through investment loans. Illustrative examples of various types of instrument are presented in tables from [Annex C.5](#).

**Table 47. Total MDB climate finance by type of instrument and by income level group, 2022 (in \$ million)**

| Instrument type         | For low- and middle-income economies | For high-income economies |
|-------------------------|--------------------------------------|---------------------------|
| Equity                  | 1 008                                | 597                       |
| Grant                   | 6 078*                               | 6                         |
| Guarantee               | 1 766                                | 972                       |
| Investment loan         | 36 854                               | 30 973                    |
| Line of credit          | 2 839                                | 4 136                     |
| Policy-based financing  | 8 427                                | 816                       |
| Results-based financing | 2 105                                | 232                       |
| Other instruments       | 1 586                                | 1 056                     |
| <b>Total</b>            | <b>60 664*</b>                       | <b>38 789</b>             |

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<sup>23</sup>.

**Table 48. Total MDB climate finance by region and by income level group, 2022 (in \$ million)**

| Region                          | For low- and middle-income economies | For high-income economies |
|---------------------------------|--------------------------------------|---------------------------|
| Central Asia                    | 2 628                                | -                         |
| East Asia and the Pacific       | 9 846*                               | 180                       |
| Europe: European Union          | 330                                  | 35 871                    |
| Europe: Non-European Union      | 4 826                                | -                         |
| Latin America and the Caribbean | 12 670                               | 1 715                     |
| Middle East and North Africa    | 4 715                                | 237                       |
| South Asia                      | 7 471                                | -                         |
| Sub-Saharan Africa              | 16 334                               | 11                        |
| Multi-regional                  | 1 843                                | 775                       |
| <b>Total</b>                    | <b>60 664*</b>                       | <b>38 789</b>             |

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

## **ANNEX A.2. TOTAL MDB ADAPTATION FINANCE.**

Of the \$99.5 billion invested in climate finance, a total of \$25.2 billion was committed for climate change adaptation finance.

Table 49 presents the 2022 adaptation figures for the 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.

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

**Table 49. Total MDB adaptation finance in all the economies by MDB according to source of funds, 2022 (in \$ million)**

| MDB          | FOR LOW- AND MIDDLE-INCOME ECONOMIES |                                | FOR HIGH-INCOME ECONOMIES |                                | TOTAL           |                                |
|--------------|--------------------------------------|--------------------------------|---------------------------|--------------------------------|-----------------|--------------------------------|
|              | MDB own account                      | MDB-managed external resources | MDB own account           | MDB-managed external resources | MDB own account | MDB-managed external resources |
| AfDB         | 1 993                                | 282                            | -                         | -                              | 1 993           | 282                            |
| ADB          | 2 726                                | 103                            | 1                         | 1                              | 2 727           | 104                            |
| AIIB         | 423                                  | -                              | 32                        | -                              | 454             | -                              |
| CEB          | 211                                  | -                              | 11                        | 5                              | 221             | 5                              |
| EBRD         | 252                                  | 48                             | 7                         | 0                              | 259             | 48                             |
| EIB          | 424                                  | 7                              | 1 562                     | -                              | 1 985           | 7                              |
| IDBG         | 1 996                                | 48                             | 711                       | 5                              | 2 707           | 53                             |
| IsDB         | 571                                  | -                              | 0                         | 0                              | 571             | -                              |
| NDB          | -                                    | -                              | -                         | -                              | -               | -                              |
| WBG          | 12 878                               | 762                            | 150                       | 37                             | 13 028          | 799                            |
| <b>Total</b> | <b>21 473</b>                        | <b>1 245*</b>                  | <b>2 473</b>              | <b>42</b>                      | <b>23 945</b>   | <b>1 287*</b>                  |

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

**Table 50. Total MDB adaptation finance by MDB and by type of recipient or borrower, 2022 (in \$ million)**

| MDB          | Private      | Public         |
|--------------|--------------|----------------|
| AfDB         | 261          | 2 015          |
| ADB          | 89           | 2 742          |
| AIIB         | 36           | 418            |
| CEB          | -            | 221            |
| EBRD         | 149          | 158            |
| EIB          | 347          | 1 646          |
| IDBG         | 135          | 2 625          |
| IsDB         | -            | 571            |
| NDB          | -            | -              |
| WBG          | 128          | 13 700         |
| <b>Total</b> | <b>1 145</b> | <b>24 088*</b> |

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

Table 51 breaks down total MDB adaptation finance by the type of instrument. The multilateral development banks reported that 65% of adaptation finance for all economies was committed through investment loans, followed by grants and policy-based financing.

**Table 51. Total MDB adaptation finance by type of instrument, 2022 (in \$ million)**

| Instrument type         | Total  |
|-------------------------|--------|
| Equity                  | 19     |
| Grant                   | 3 542* |
| Guarantee               | 449    |
| Investment loan         | 15 854 |
| Line of credit          | 1 094  |
| Policy-based financing  | 3 240  |
| Results-based financing | 804    |

|                   |                |
|-------------------|----------------|
| Other instruments | 230            |
| <b>Total</b>      | <b>25 233*</b> |

(\*) 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, Latin America and the Caribbean, and South Asia.

**Table 52. Total MDB adaptation finance by region, 2022 (in \$ million)**

| Region                          | Total          |
|---------------------------------|----------------|
| Central Asia                    | 812            |
| East Asia and the Pacific       | 2 751*         |
| Europe: European Union          | 1 570          |
| Europe: Non-European Union      | 1 049          |
| Latin America and the Caribbean | 4 510          |
| Middle East and North Africa    | 1 826          |
| South Asia                      | 3 884          |
| Sub-Saharan Africa              | 8 669          |
| Multi-regional                  | 162            |
| <b>Total</b>                    | <b>25 233*</b> |

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

Table 53 reports total MDB adaptation finance by sector, with 30% in energy, transport, and other built environment and infrastructure, followed by 17% in cross-cutting operations, and 16% in water and wastewater systems.

**Table 53. Total MDB adaptation finance by sector, 2022 (in \$ million)**

| Sector group  | Total          |
|---|----------------|
| Coastal and riverine infrastructure                               | 348            |
| Crop and food production  | 2 997          |
| Cross-cutting sectors   | 4 297          |
| Energy, transport, and other built environment and infrastructure | 7 566          |
| Financial services  | 1 723          |
| Industry, manufacturing and trade                                 | 29             |
| Information and communications technology                         | 175            |
| Institutional capacity support or technical assistance            | 2 391          |
| Other agricultural and ecological resources                       | 1 667*         |
| Water and wastewater systems                                      | 4 040          |
| <b>Total</b>  | <b>25 233*</b> |

(\*) 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, 2022 (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                               | 1            | 54                        | 14                     | -                          | 130                             | 16                           | 54           | 74                 | 5              | 348            |
| Crop and food production  | 119          | 46                        | 95                     | 89                         | 107                             | 622                          | 288          | 1 534              | 97             | 2 997          |
| Cross-cutting sectors   | 78           | 1 090                     | 15                     | 67                         | 999                             | 211                          | 748          | 1 077              | 13             | 4 297          |
| Energy, transport, and other built environment and infrastructure | 156          | 751                       | 695                    | 517                        | 721                             | 134                          | 2 301        | 2 265              | 28             | 7 566          |
| Financial services  | 3            | 131                       | 48                     | 0                          | 357                             | 273                          | 89           | 815                | 7              | 1 723          |
| Industry, manufacturing and trade                                 | 0            | -                         | -                      | 12                         | 9                               | -                            | 7            | -                  | -              | 29             |
| Information and communications technology                         | 3            | 9                         | 0                      | 38                         | 32                              | -                            | 26           | 66                 | -              | 175            |
| Institutional capacity support or technical assistance            | 11           | 52                        | 67                     | 225                        | 1 071                           | 89                           | 128          | 743                | 5              | 2 391          |
| Other agricultural and ecological resources                       | 209          | 388*                      | 8                      | 23                         | 343                             | 42                           | 32           | 619                | 3              | 1 667*         |
| Water and wastewater systems                                      | 232          | 230                       | 628                    | 77                         | 741                             | 439                          | 212*         | 1 478              | 4              | 4 040          |
|   | <b>812</b>   | <b>2 751*</b>             | <b>1 570</b>           | <b>1 049</b>               | <b>4 510</b>                    | <b>1 826</b>                 | <b>3 884</b> | <b>8 669</b>       | <b>162</b>     | <b>25 233*</b> |

(\*) 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, 2022 (in \$ million)**

| MDB          | FOR LOW- AND MIDDLE-INCOME ECONOMIES |                                | FOR HIGH-INCOME ECONOMIES |                                | TOTAL           |                                |
|--------------|--------------------------------------|--------------------------------|---------------------------|--------------------------------|-----------------|--------------------------------|
|              | MDB own account                      | MDB-managed external resources | MDB own account           | MDB-managed external resources | MDB own account | MDB-managed external resources |
| AfDB         | 1 157                                | 217                            | -                         | -                              | 1 157           | 217                            |
| ADB          | 3 995                                | 282                            | 1                         | 1                              | 3 996           | 283                            |
| AIIB         | 1 889                                | -                              | 48                        | -                              | 1 937           | -                              |
| CEB          | 84                                   | -                              | 608                       | -                              | 692             | -                              |
| EBRD         | 3 697                                | 292                            | 2 447                     | 14                             | 6 144           | 306                            |
| EIB          | 3 674                                | 60                             | 31 308                    | 44                             | 34 981          | 104                            |
| IDBG         | 3 308                                | 325                            | 567                       | 5                              | 3 875           | 330                            |
| IsDB         | 479                                  | -                              | 0                         | -                              | 480             | -                              |
| NDB          | 466                                  | -                              | -                         | -                              | 466             | -                              |
| WBG          | 17 456                               | 570                            | 1 215                     | 16                             | 18 671          | 587                            |
| <b>Total</b> | <b>36 206</b>                        | <b>1 740*</b>                  | <b>36 194</b>             | <b>80</b>                      | <b>72 400</b>   | <b>1 821*</b>                  |

(\*) 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, 2022 (in \$ million)**

| MDB          | Private       | Public         |
|--------------|---------------|----------------|
| AfDB         | 516           | 859            |
| ADB          | 459           | 3 820          |
| AIIB         | 691           | 1 246          |
| CEB          | -             | 692            |
| EBRD         | 4 921         | 1 529          |
| EIB          | 16 699        | 18 386         |
| IDBG         | 936           | 3 270          |
| IsDB         | -             | 480            |
| NDB          | -             | 466            |
| WBG          | 5 444         | 13 814         |
| <b>Total</b> | <b>29 666</b> | <b>44 555*</b> |

(\*) 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 68% of total mitigation finance was committed through investment loans, followed by policy-based financing and lines of credit.

**Table 57. Total MDB mitigation finance by type of instrument, 2022 (in \$ million)**

| Instrument type | Total  |
|-----------------|--------|
| Equity          | 1 586  |
| Grant           | 2 542* |
| Guarantee       | 2 289  |
| Investment loan | 51 974 |

| <b>Instrument type</b>  | <b>Total</b>   |
|-------------------------|----------------|
| Line of credit          | 5 882          |
| Policy-based financing  | 6 003          |
| Results-based financing | 1 533          |
| Other instruments       | 2 412          |
| <b>Total</b>            | <b>74 220*</b> |

(\*) 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, 2022 (in \$ million)**

| <b>Region</b>                   | <b>Total</b>   |
|---------------------------------|----------------|
| Central Asia                    | 1 816          |
| East Asia and the Pacific       | 7 276*         |
| Europe: European Union          | 34 631         |
| Europe: Non-European Union      | 3 777          |
| Latin America and the Caribbean | 9 875          |
| Middle East and North Africa    | 3 127          |
| South Asia                      | 3 587          |
| Sub-Saharan Africa              | 7 675          |
| Multi-regional                  | 2 456          |
| <b>Total</b>                    | <b>74 220*</b> |

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

Table 59 reports MDBs' mitigation finance for all the economies by sector with 35% going to the energy sector, followed by transport with 24%.

**Table 59. Total MDB mitigation finance by sector, 2022 (in \$ million)**

| <b>Region</b>  | <b>Total</b>   |
|--|----------------|
| Energy   | 26 140         |
| Mining and metal production for climate action                           | -              |
| Manufacturing  | 2 368          |
| Agriculture, forestry, land use and fisheries                            | 2 341*         |
| Water supply and wastewater  | 1 903          |
| Solid waste management   | 808            |
| Transport  | 17 850         |
| Buildings, public installations and end-use energy efficiency            | 5 022          |
| Information and communications technology (ICT) and digital technologies | 316            |
| Research, development and innovation                                     | 3 057          |
| Cross-sectoral activities  | 14 418         |
| <b>Total</b>   | <b>74 220*</b> |

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

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

**Table 60. Total MDB mitigation finance by sector and by region, 2022 (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   | 888          | 1 519                     | 13 429                 | 1 200                      | 2 552                           | 901                          | 1 272        | 3 243              | 1 136          | 26 140         |
| Mining and metal production for climate action                           | -            | -                         | -                      | -                          | -                               | -                            | -            | -                  | -              | -              |
| Manufacturing  | 74           | 260                       | 269                    | 617                        | 431                             | 244                          | 15           | 154                | 303            | 2 368          |
| Agriculture, forestry, land use and fisheries                            | 228          | 673*                      | 42                     | 60                         | 446                             | 90                           | 66           | 681                | 56             | 2 341*         |
| Water supply and wastewater  | 33           | 261                       | 485                    | 32                         | 514                             | 115                          | 175          | 287                | 0              | 1 903          |
| Solid waste management   | 78           | 272                       | 223                    | 29                         | 120                             | 24                           | 1            | 24                 | 36             | 808            |
| Transport  | 145          | 2 642                     | 9 354                  | 1 004                      | 1 368                           | 1 048                        | 1 123        | 1 006              | 160            | 17 850         |
| Buildings, public installations and end-use energy efficiency            | 163          | 275                       | 1 902                  | 240                        | 613                             | 462                          | 332          | 604                | 430            | 5 022          |
| Information and communications technology (ICT) and digital technologies | -            | 39                        | 59                     | 19                         | 50                              | -                            | 39           | 66                 | 42             | 316            |
| Research, development and innovation                                     | -            | 3                         | 2 934                  | -                          | 53                              | 1                            | 8            | 39                 | 19             | 3 057          |
| Cross-sectoral activities  | 207          | 1 331                     | 5 933                  | 574                        | 3 729                           | 241                          | 557          | 1 571              | 274            | 14 418         |
| <b>Total</b>   | <b>1 816</b> | <b>7 276*</b>             | <b>34 631</b>          | <b>3 777</b>               | <b>9 875</b>                    | <b>3 127</b>                 | <b>3 587</b> | <b>7 675</b>       | <b>2 456</b>   | <b>74 220*</b> |

(\*) 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 2022 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 2022 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 from Table 62.

**Table 61. Total climate co-finance flows by MDB and by thematic focus, 2022 (in \$ million)**

| FOR LOW- AND MIDDLE-INCOME ECONOMIES |              |              |              |              |               |               |              |              |              |               |                          |                                       |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|---------------|--------------------------|---------------------------------------|
|                                      | AfDB         | ADB          | AIIB         | CEB          | EBRD          | EIB           | IDBG         | IsDB         | NDB          | WBG           | Total climate co-finance | Adjustment for multiple MDB financing |
| Mitigation finance                   | 1 406        | 4 075        | 2 231        | 181          | 4 376         | 7 010         | 2 447        | 1 163        | 2 114        | 7 550         | 32 553                   | 27 717                                |
| Adaptation finance                   | 2 582        | 4 297        | 1 648        | 53           | 396           | 2 680         | 1 793        | 110          | -            | 8 435         | 21 993                   | 20 336                                |
| <b>Total</b>                         | <b>3 988</b> | <b>8 372</b> | <b>3 879</b> | <b>234</b>   | <b>4 772</b>  | <b>9 689</b>  | <b>4 240</b> | <b>1 273</b> | <b>2 114</b> | <b>15 986</b> | <b>54 546</b>            | <b>48 053</b>                         |
| FOR HIGH-INCOME ECONOMIES            |              |              |              |              |               |               |              |              |              |               |                          |                                       |
|                                      | AfDB         | ADB          | AIIB         | CEB          | EBRD          | EIB           | IDBG         | IsDB         | NDB          | WBG           | Total climate co-finance | Correction for multiple MDB financing |
| Mitigation finance                   | -            | 14           | 9            | 1 354        | 6 994         | 47 608        | 455          | -            | -            | 5 444         | 61 878                   | 61 580                                |
| Adaptation finance                   | -            | -            | 283          | 57           | 708           | 9 165         | 213          | -            | -            | 9             | 10 433                   | 10 433                                |
| <b>Total</b>                         | <b>-</b>     | <b>14</b>    | <b>292</b>   | <b>1 411</b> | <b>7 702</b>  | <b>56 772</b> | <b>668</b>   | <b>-</b>     | <b>-</b>     | <b>5 453</b>  | <b>72 311</b>            | <b>72 014</b>                         |
| TOTAL CLIMATE CO-FINANCE             |              |              |              |              |               |               |              |              |              |               |                          |                                       |
|                                      | AfDB         | ADB          | AIIB         | CEB          | EBRD          | EIB           | IDBG         | IsDB         | NDB          | WBG           | Total climate co-finance | Correction for multiple MDB financing |
| Mitigation finance                   | 1 406        | 4 088        | 2 240        | 1 535        | 11 371        | 54 618        | 2 902        | 1 163        | 2 114        | 12 994        | 94 430                   | 89 297                                |
| Adaptation finance                   | 2 582        | 4 297        | 1 931        | 109          | 1 103         | 11 844        | 2 006        | 110          | -            | 8 444         | 32 427                   | 30 769                                |
| <b>Total</b>                         | <b>3 988</b> | <b>8 386</b> | <b>4 171</b> | <b>1 645</b> | <b>12 474</b> | <b>66 462</b> | <b>4 908</b> | <b>1 273</b> | <b>2 114</b> | <b>21 439</b> | <b>126 857</b>           | <b>120 066</b>                        |

| Table 62. Total climate co-finance flows by MDB and by source and by income level group, 2022 (in \$ million) |                                      |                           |                                      |                           |                                      |                                      |                                      |                                      |                                      |                                      |                          |                                       |               |               |       |        |        |        |        |        |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------|---------------|-------|--------|--------|--------|--------|--------|
|   | AFDB                                 | ADB                       | AIIB                                 | CEB                       | EBRD                                 | EIB                                  | IDBG                                 | ISDB                                 | NDB                                  | WBG                                  | Total climate co-finance | Adjustment for multiple MDB financing |               |               |       |        |        |        |        |        |
|   | For low- and middle-income economies | For high-income economies | For low- and middle-income economies | For high-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies |                          |                                       |               |               |       |        |        |        |        |        |
| <b>Public direct mobilisation</b>   | <b>2</b>                             | <b>122</b>                | <b>80</b>                            | <b>5</b>                  | <b>5</b>                             | <b>49</b>                            | <b>145</b>                           | <b>0</b>                             | <b>-</b>                             | <b>-</b>                             | <b>6 639</b>             | <b>3 171</b>                          | <b>10 664</b> | <b>10 662</b> |       |        |        |        |        |        |
| <b>Public co-finance</b>  |                                      |                           |                                      |                           |                                      |                                      |                                      |                                      |                                      |                                      |                          |                                       |               |               |       |        |        |        |        |        |
| Other MDBs  | 1 307                                | 934                       | 1 985                                | -                         | -                                    | 1 736                                | 226                                  | 1 260                                | -                                    | 484                                  | -                        | 181                                   | -             | 875           | 6     | 8 994  | 8 994  |        |        |        |
| IDFC members  | 421                                  | 476                       | 260                                  | -                         | -                                    | 100                                  | -                                    | 729                                  | 334                                  | 304                                  | -                        | -                                     | -             | 200           | -     | 2 824  | 2 395  |        |        |        |
| Other international public  | 865                                  | 153                       | 17                                   | 5                         | -                                    | 15                                   | -                                    | 139                                  | 7 845                                | 27                                   | 2                        | 1 091                                 | -             | 1 077         | 17    | 11 253 | 10 675 |        |        |        |
| Other domestic public   | 539                                  | 6 175                     | 2                                    | 1 087                     | -                                    | 234                                  | 1 411                                | 348                                  | 1                                    | 2 374                                | 6 642                    | 320                                   | 10            | -             | 1 032 | 352    | 20 527 | 18 518 |        |        |
| <b>Total private mobilisation</b>   |                                      |                           |                                      |                           |                                      |                                      |                                      |                                      |                                      |                                      |                          |                                       |               |               |       |        |        |        |        |        |
| Private direct mobilisation   | -                                    | 187                       | -                                    | -                         | -                                    | -                                    | -                                    | 257                                  | 142                                  | 58                                   | 7 303                    | 1 321                                 | 490           | -             | -     | 2 654  | 933    | 13 345 | 13 346 |        |
| Private indirect mobilisation   | 854                                  | -                         | 325                                  | 12                        | 450                                  | 283                                  | -                                    | -                                    | 2 316                                | 7 333                                | 5 080                    | 34 199                                | 1 639         | 166           | -     | 1 082  | 4 189  | 1 326  | 59 254 | 55 477 |
| <b>Total</b>  | <b>3 988</b>                         | <b>8 386</b>              | <b>4 171</b>                         | <b>1 645</b>              | <b>12 474</b>                        | <b>66 462</b>                        | <b>4 908</b>                         | <b>1 273</b>                         | <b>2 114</b>                         | <b>21 439</b>                        | <b>126 860</b>           | <b>120 066</b>                        |               |               |       |        |        |        |        |        |

Note:

- Co-financing figures are current as of 14 July 2023. Fluctuations are expected due to changes in project financing between board approvals, loan signatures and execution.
- 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.
- 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, 2022**

|  | <b>AfDB</b>                          | <b>ADB</b>                           | <b>AIIB</b>                          | <b>CEB</b>                           | <b>EBRD</b>                          | <b>EIB</b>                           | <b>IDBG</b>                          | <b>ISDB</b>                          | <b>NDB</b>                           | <b>WBG</b>                           | <b>Total</b>                         |        |       |       |       |   |        |       |         |       |         |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------|-------|-------|-------|---|--------|-------|---------|-------|---------|
| Climate co-finance   | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies | For low- and middle-income economies |        |       |       |       |   |        |       |         |       |         |
| Climate finance by MDB   | 3651                                 | 7 107                                | 2 311                                | 80                                   | 295                                  | 618                                  | 4 289                                | 2 469                                | 4 165                                | 32 913                               | 5 678                                | 1 288  | 1 050 | 0     | 466   | - | 31 666 | 1 419 | 99 467  |       |         |
| Climate co-finance   | 3 988                                | -                                    | 8 372                                | 14                                   | 3 879                                | 292                                  | 234                                  | 1 411                                | 4 772                                | 7 702                                | 9 689                                | 56 772 | 4 240 | 668   | 1 273 | - | 2 114  | -     | 159 86  | 5 453 | 126 857 |
| Correction for multiple MDB financing  | (678)                                | -                                    | (1 044)                              | -                                    | (802)                                | -                                    | -                                    | -                                    | (246)                                | (9)                                  | (641)                                | -      | (25)  | -     | -     | - | -      | -     | (3 038) | (180) | (6 791) |
| MDB climate activity/finance   | 6 960                                | -                                    | 14 435                               | 17                                   | 5 388                                | 371                                  | 529                                  | 2 029                                | 8 815                                | 10 161                               | 13 213                               | 89 685 | 9 892 | 1 956 | 2 323 | 0 | 2 580  | -     | 44 615  | 6 691 | 219 553 |
| <b>Total MDB climate activity/finance</b>  | <b>6 960</b>                         | <b>14 451</b>                        | <b>5 760</b>                         | <b>2 558</b>                         | <b>18 976</b>                        | <b>102 898</b>                       | <b>11 848</b>                        | <b>2 323</b>                         | <b>2 580</b>                         | <b>51 305</b>                        | <b>219 553</b>                       |        |       |       |       |   |        |       |         |       |         |
| <b>Climate finance ratios</b>  | <b>AfDB</b>                          | <b>ADB</b>                           | <b>AIIB</b>                          | <b>CEB</b>                           | <b>EBRD</b>                          | <b>EIB</b>                           | <b>IDBG</b>                          | <b>ISDB</b>                          | <b>NDB</b>                           | <b>WBG</b>                           | <b>Total</b>                         |        |       |       |       |   |        |       |         |       |         |
| Climate finance from MDB own account, as a percentage of MDB operations from MDB own account | 43%                                  | 38%                                  | 35%                                  | 20%                                  | 47%                                  | 56%                                  | 33%                                  | 33%                                  | 28%                                  | 36%                                  | 43%                                  |        |       |       |       |   |        |       |         |       |         |
| MDB climate finance as a percentage of total MDB operations                                  | 45%                                  | 39%                                  | 35%                                  | 20%                                  | 43%                                  | 58%                                  | 34%                                  | 33%                                  | 28%                                  | 37%                                  | 43%                                  |        |       |       |       |   |        |       |         |       |         |

Note:  
 1. AIIB's 2022 climate finance share was calculated including projects financed through the bank's COVID-19 Crisis Recovery Facility (CRF).  
 2. Total MDB climate activity/finance refers to the sum of "Total MDB climate finance" and "Climate co-finance".  
 3. (\*) See footnote 1 for Figures 1a and 1b.

## ANNEX A.5. MDB CLIMATE FINANCE IN LEAST DEVELOPED COUNTRIES (LDCs) AND SMALL ISLAND DEVELOPING STATES (SIDS), 2022

Annex A.5 has been added for the first time in this year's 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 2022, the multilateral development banks committed \$11 663 million to finance climate change in LDCs. Most of the climate finance provided to LDCs is managed by MDBs' own account, with only 11% of MDB-managed external resources.

Moreover, a total of \$2 214 million was committed for climate change finance for SIDS. Most of that amount was for low- and middle-income economies.

Additionally, a total of \$630 million was committed for climate change finance for countries that belong to both 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<sup>24</sup> and presented based on the UNFCCC list<sup>25</sup>. Small island states are defined according to the Alliance of Small Island States (AOSIS) list<sup>26</sup>. 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, 2022 (in \$ million)**

|  | Mitigation finance | Adaptation finance | Total  |
|--|--------------------|--------------------|--------|
| Least developed countries <i>that are not small island states</i>            | 5 292              | 6 385              | 11 677 |
| Small island developing states <i>that are not least developed economies</i> | 1 202              | 1 011              |        |
| Least developed countries and small island developing states                 | 134                | 496                | 630    |

1. 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: Climate finance in LDCs, SIDS and countries that belong to both categories, by source of funds and type of recipient or borrower, 2022**

| Type of recipient or borrower | LDCs            |                                | SIDS                                 |                                |                           |                                | Both            |                                |
|-------------------------------|-----------------|--------------------------------|--------------------------------------|--------------------------------|---------------------------|--------------------------------|-----------------|--------------------------------|
|                               | MDB own account | MDB-managed external resources | 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 |                 |                                |
| Public recipient/borrower     | 9 898           | 1 195*                         | 1 461                                | 189                            | 328                       | 5                              | 600             | 27                             |
| Private recipient/borrower    | 493             | 78                             | 50                                   | 2                              | 178                       | 0                              | 2               | -                              |
| <b>Total</b>                  | <b>10 390</b>   | <b>1 287 *</b>                 | <b>1 511</b>                         | <b>191</b>                     | <b>506</b>                | <b>5</b>                       | <b>603</b>      | <b>27</b>                      |

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

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

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

26 <https://www.aosis.org/member-states>

The MDBs reported that 61% of climate finance for LDCs was committed through investment loans, followed by grants (29%).

The MDBs reported that 46% of climate finance for SIDS was committed through investment loans, followed by policy-based financing (28%) and grants (13%).

For those countries that belong to both categories, the most common instruments for climate finance were grants, followed by investment loans.

As shown in Table 66, climate finance in those countries that belong to both LDCs and SIDS categories is mainly driven by grants (71%) and investment loans (29%).

**Table 66: Climate finance in LDCs, SIDS and countries that belong to both categories by instrument, 2022**

| Instrument type         | LDCs          |               | SIDS                                 |            |                           |            | Both       |            |
|-------------------------|---------------|---------------|--------------------------------------|------------|---------------------------|------------|------------|------------|
|                         | Adaptation    | Mitigation    | For low- and middle-income economies |            | For high-income economies |            | Adaptation | Mitigation |
|                         |               |               | Adaptation                           | Mitigation | Adaptation                | Mitigation |            |            |
| Equity                  | -             | -             | -                                    | -          | -                         | -          | -          | -          |
| Grant                   | 1 768*        | 1 573*        | 163                                  | 101        | 15                        | 4          | 363        | 83         |
| Guarantee               | 106           | 41            | -                                    | 2          | 160                       | 50         | -          | -          |
| Investment loan         | 4 108         | 2 964         | 418                                  | 418        | 66                        | 114        | 133        | 51         |
| Line of credit          | -             | 60            | -                                    | 0          | -                         | -          | -          | -          |
| Policy-based financing  | 190           | 303           | 126                                  | 462        | 26                        | 7          | -          | -          |
| Results-based financing | 206           | 339           | -                                    | -          | -                         | -          | -          | -          |
| Other instruments       | 1             | 5             | 5                                    | 7          | 33                        | 36         | 0          | -          |
| <b>Total</b>            | <b>6 378*</b> | <b>5 285*</b> | <b>711</b>                           | <b>991</b> | <b>300</b>                | <b>211</b> | <b>496</b> | <b>134</b> |

Note:  
1. Numbers in the tables and figures in this table may not add up to the totals shown, due to rounding.  
2. (\*) See footnote 1 for Figures 1a and 1b.

Sub-Saharan Africa and South Asia are the LDCs regions that receive most climate finance, with 75% and 19% of the total amount respectively. On the other hand, the majority of the resources to SIDS is provided in the Latin America and Caribbean region, which receives 65% of the total amount, followed by East Asia and the Pacific (30%), while for countries that belong to both categories, climate finance is shared equally between East Asia and the Pacific, and Latin America and the Caribbean (40%), with a lower proportion of resources going to Sub-Saharan Africa (20%).

**Table 67: Climate finance in LDCs, SIDS and countries that belong to both categories by region, 2022**

| Region                          | LDCs       |            | SIDS                                 |            |                           |            | Both       |            |
|---------------------------------|------------|------------|--------------------------------------|------------|---------------------------|------------|------------|------------|
|                                 | Adaptation | Mitigation | For low- and middle-income economies |            | For high-income economies |            | Adaptation | Mitigation |
|                                 |            |            | Adaptation                           | Mitigation | Adaptation                | Mitigation |            |            |
| East Asia and the Pacific       | 270*       | 239*       | 383                                  | 104        | 44                        | 149        | 220        | 30         |
| Latin America and the Caribbean | -          | -          | 302                                  | 848        | 237                       | 62         | 198        | 59         |



|                              |               |               |            |            |            |            |            |            |
|------------------------------|---------------|---------------|------------|------------|------------|------------|------------|------------|
| Middle East and North Africa | 140           | 105           | -          | -          | -          | -          | -          | -          |
| South Asia                   | 1 521         | 664           | 15         | 6          | -          | -          | -          | -          |
| Sub-Saharan Africa           | 4 446         | 4 278         | 11         | 32         | 19         | -          | 78         | 44         |
| <b>Total</b>                 | <b>6 378*</b> | <b>5 285*</b> | <b>711</b> | <b>991</b> | <b>300</b> | <b>211</b> | <b>496</b> | <b>134</b> |

Note:

- Numbers in the tables and figures in this table may not add up to the totals shown, due to rounding.
- (\*) See footnote 1 for Figures 1a and 1b.

The adaptation finance for energy, transport, and other built environment and infrastructure and the cross-cutting sectors receive most of the resources provided to the LDCs, with 38% and 18% respectively, followed by water and wastewater systems (14%) and crop and food production (13%).

Regarding the SIDS, the adaptation finance for energy, transport, and other built environment and infrastructure receives 40% of the total amount of adaptation finance, followed by institutional capacity support or technical assistance (17%) and cross-cutting sectors (16%).

Energy, transport, and other built environment and infrastructure is also the sector that receives the highest amount of climate finance in those countries that belong to both categories (59%).

**Table 68. Climate finance by adaptation sector and region in LDCs, SIDS and countries that belong to both categories, 2022 (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 | Middle East and North Africa | South Asia | Sub-Saharan Africa | East Asia and the Pacific | Middle East and North Africa | Sub-Saharan Africa |
| Coastal and riverine infrastructure                               | -                         | -                            | 47           | 74                 | 20                        | 39                           | -          | 0                  | -                         | -                            | -                  |
| Crop and food production  | 5                         | 28                           | 237          | 584                | -                         | 15                           | -          | -                  | 2                         | 25                           | 3                  |
| Cross-cutting sectors   | 31                        | 14                           | 336          | 740                | 122                       | 24                           | 11         | 5                  | 22                        | 62                           | 3                  |
| Energy, transport, and other built environment and infrastructure | 159                       | 23                           | 751          | 1 485              | 256                       | 142                          | 4          | 4                  | 87                        | 105                          | 57                 |
| Financial services  | -                         | 34                           | 36           | 414                | 15                        | 1                            | -          | -                  | -                         | 5                            | -                  |
| Industry, manufacturing and trade                                 | -                         | -                            | -            | -                  | -                         | -                            | -          | -                  | -                         | -                            | -                  |
| Information and communications technology                         | 0                         | -                            | -            | 30                 | 2                         | 2                            | -          | 7                  | 2                         | 1                            | 1                  |
| Institutional capacity support or technical assistance            | 10                        | 4                            | 47           | 241                | 7                         | 150                          | 0          | 10                 | 12                        | 0                            | 5                  |
| Other agricultural and ecological resources                       | 66*                       | -                            | 5            | 82                 | 5                         | 85                           | -          | 5                  | 3                         | -                            | -                  |
| Water and wastewater systems                                      | -                         | 37                           | 62           | 797                | -                         | 80                           | -          | -                  | 92                        | -                            | 9                  |
| <b>Total</b>  | <b>270*</b>               | <b>140</b>                   | <b>1 521</b> | <b>4 446</b>       | <b>427</b>                | <b>539</b>                   | <b>15</b>  | <b>30</b>          | <b>220</b>                | <b>198</b>                   | <b>78</b>          |

Note:

- Numbers in the tables and figures in this table may not add up to the totals shown, due to rounding.
- (\*) See footnote 1 for Figures 1a and 1b.

The energy sector receives most of the climate change mitigation finance provided to LDCs (60%), followed by cross-sectoral activities (15%) and buildings, public installations and end-use energy efficiency (11%), similarly to the category that includes countries that are both LDCs and SIDS.

Regarding SIDS, cross-sectoral activities receive 37% of total mitigation finance, followed by energy (28%) and the transport sector (13%).

**Table 69. Climate finance by mitigation sector and region in LDCs, SIDS and countries that belong to both categories, 2022 (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 | Middle East and North Africa | South Asia | Sub-Saharan Africa | East Asia and the Pacific | Middle East and North Africa | Sub-Saharan Africa |
| Energy   | 182                       | 86                           | 308        | 2 580              | 181                       | 136                          | 4          | 11                 | 1                         | 0                            | 38                 |
| Mining and metal production for climate action                           | -                         | -                            | -          | -                  | -                         | -                            | -          | -                  | -                         | -                            | -                  |
| Manufacturing  | -                         | -                            | 11         | 40                 | -                         | 0                            | -          | -                  | -                         | 0                            | -                  |
| Agriculture, forestry, land use and fisheries                            | 12*                       | -                            | 23         | 250                | 3                         | 10                           | -          | -                  | -                         | 13                           | -                  |
| Water supply and wastewater  | -                         | -                            | 43         | 263                | -                         | 94                           | -          | -                  | 5                         | -                            | -                  |
| Solid waste management   | -                         | -                            | 1          | 23                 | -                         | 44                           | -          | -                  | -                         | 0                            | -                  |
| Transport  | -                         | -                            | 8          | 88                 | 3                         | 152                          | -          | -                  | 7                         | 10                           | -                  |
| Buildings, public installations and end-use energy efficiency            | 4                         | 4                            | 158        | 420                | 4                         | 78                           | 1          | 2                  | 10                        | 11                           | 1                  |
| Information and communications technology (ICT) and digital technologies | -                         | -                            | -          | 3                  | 14                        | 6                            | -          | 15                 | -                         | -                            | -                  |
| Research, development and innovation                                     | -                         | -                            | -          | -                  | -                         | 0                            | -          | -                  | -                         | -                            | -                  |
| Cross-sectoral activities  | 40                        | 16                           | 111        | 612                | 49                        | 392                          | 1          | 5                  | 7                         | 25                           | 6                  |
| <b>Total</b>   | <b>239*</b>               | <b>105</b>                   | <b>664</b> | <b>4 278</b>       | <b>253</b>                | <b>911</b>                   | <b>6</b>   | <b>32</b>          | <b>30</b>                 | <b>59</b>                    | <b>44</b>          |

Note:

1. Numbers in the tables and figures in this table may not add up to the totals shown, due to rounding.
2. (\*) 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 2022. Least developed economies are defined according to the UNFCCC list<sup>27</sup> 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. Climate finance in low- and middle-income economies for 2015-2022 (in \$ million)**

| Economy     | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |       |       |       |       |       |       |       |
|-------------|---------------------------------|---------------------|------------|--|-------|-------|-------|-------|-------|-------|-------|
|             |                                 |                     |            | 2015   | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Afghanistan | South Asia                      | Low income          | LDC        | -  | 173   | 147   | 144   | 281   | 65    | 485   | 415   |
| Albania     | Non-European Union              | Upper middle income |            | 110  | 174   | 15    | 111   | 114   | 34    | 66    | 70    |
| Algeria     | Middle East and North Africa    | Lower middle income |            | 1  | -     | -     | -     | -     | -     | -     | -     |
| Angola      | Sub-Saharan Africa              | Lower middle income | LDC        | -  | 15    | 72    | 43    | 155   | 470   | 260   | 522   |
| Argentina   | Latin America and the Caribbean | Upper middle income |            | 314  | 508   | 2 276 | 1 434 | 917   | 121   | 1 204 | 2 485 |
| Armenia     | Non-European Union              | Upper middle income |            | 108  | 45    | 132   | 45    | 107   | 79    | 210   | 86    |
| Azerbaijan  | Non-European Union              | Upper middle income |            | 16   | 171   | 250   | 20    | 8     | 11    | 45    | 80    |
| Bangladesh  | South Asia                      | Lower middle income | LDC        | 899  | 1 315 | 200   | 1 296 | 2 144 | 1 127 | 732   | 1 413 |
| Belarus     | Non-European Union              | 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    | 46    |
| Benin       | Sub-Saharan Africa              | Lower middle income | LDC        | 21   | 3     | 44    | 126   | 297   | 123   | 232   | 229   |

27 [http://unfccc.int/cooperation\\_and\\_support/ldc/items/3097.php](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  |
| Bhutan                   | South Asia                      | Lower middle income | LDC        | 2  | 17    | 7     | 4     | 2     | 20    | 24    | 61    |
| Bolivia                  | Latin America and the Caribbean | Lower middle income |            | 405  | 373   | 321   | 363   | 124   | 77    | 1     | 196   |
| Bosnia and Herzegovina   | Non-European Union              | Upper middle income |            | 27   | 95    | 101   | 110   | 180   | 78    | 133   | 133   |
| Botswana                 | Sub-Saharan Africa              | Upper middle income |            | -  | -     | 143   | -     | 19    | -     | 170   | 54    |
| Brazil                   | Latin America and the Caribbean | Upper middle income |            | 548  | 914   | 766   | 1 473 | 1 700 | 1 436 | 2 006 | 2 334 |
| Bulgaria                 | European Union                  | Upper middle income |            | 58   | 156   | 112   | 137   | 5     | 41    | 130   | 350   |
| Burkina Faso             | Sub-Saharan Africa              | Low income          | LDC        | 9  | 7     | 166   | 130   | 194   | 134   | 311   | 310   |
| Burundi                  | Sub-Saharan Africa              | Low income          | LDC        | 25   | 22    | 28    | 27    | 3     | 108   | 47    | 51    |
| Cambodia                 | East Asia and the Pacific       | Lower middle income | LDC        | 46   | 85    | 86    | 117   | 139   | 121   | 171   | 273   |
| Cameroon                 | Sub-Saharan Africa              | Lower middle income |            | 2  | 17    | 329   | 186   | 761   | 57    | 423   | 767   |
| Cape Verde               | Sub-Saharan Africa              | Lower middle income | SIDS       | 1  | -     | 15    | -     | 11    | 5     | 18    | 43    |
| Central African Republic | Sub-Saharan Africa              | Low income          | LDC        | 7  | -     | 10    | 23    | 99    | 8     | 106   | 118   |
| Chad                     | Sub-Saharan Africa              | Low income          | LDC        | 6  | -     | -     | 41    | 58    | 101   | 40    | 311   |
| 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 |
| Colombia                 | Latin America and the Caribbean | Upper middle income |            | 182  | 904   | 747   | 719   | 980   | 657   | 1 595 | 2 014 |
| Comoros                  | Sub-Saharan Africa              | Lower middle income | Both       | 5  | -     | 4     | -     | 23    | 93    | 3     | 60    |
| Congo                    | Sub-Saharan Africa              | Lower middle income |            | -  | 25    | 2     | 58    | 58    | 1     | 111   | 42    |
| Costa Rica               | Latin America and the Caribbean | Upper middle income |            | 200  | -     | 5     | 4     | 162   | 379   | 214   | 301   |

| Economy                          | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |      |       |       |       |       |       |       |
|----------------------------------|---------------------------------|---------------------|------------|--|------|-------|-------|-------|-------|-------|-------|
|                                  |                                 |                     |            | 2015   | 2016 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Côte d'Ivoire                    | Sub-Saharan Africa              | Lower middle income |            | 5  | 73   | 296   | 346   | 535   | 453   | 406   | 311   |
| Democratic Republic of the Congo | Sub-Saharan Africa              | Low income          | LDC        | 10   | 153  | 128   | 6     | 98    | 305   | 835   | 91    |
| Djibouti                         | Sub-Saharan Africa              | Lower middle income | LDC        | -  | 2    | -     | 41    | 21    | 103   | 14    | 50    |
| 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   |
| Ecuador                          | Latin America and the Caribbean | Upper middle income |            | 582  | 325  | 27    | 792   | 616   | 446   | 317   | 832   |
| Egypt                            | Middle East and North Africa    | Lower middle income |            | 511  | 693  | 1 585 | 1 597 | 1 611 | 1 508 | 2 232 | 1 995 |
| El Salvador                      | Latin America and the Caribbean | Lower middle income |            | -  | -    | 29    | 52    | 128   | 217   | 525   | 1     |
| Equatorial Guinea                | Sub-Saharan Africa              | Upper middle income | LDC        | -  | -    | -     | -     | 63    | -     | -     | -     |
| Eritrea                          | Sub-Saharan Africa              | Low income          | LDC        | -  | -    | 7     | -     | 34    | -     | -     | -     |
| 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   |
| Fiji                             | East Asia and the Pacific       | Upper middle income | SIDS       | 53   | 31   | 15    | -     | 2     | 18    | 62    | 74    |
| Gabon                            | Sub-Saharan Africa              | Upper middle income |            | -  | 43   | 24    | 95    | 67    | 28    | 77    | 94    |
| Gambia                           | Sub-Saharan Africa              | Low income          | LDC        | -  | 5    | 9     | 53    | 21    | 29    | 16    | 113   |
| Georgia                          | Non-European Union              | Upper middle income |            | 109  | 187  | 88    | 110   | 415   | 304   | 314   | 237   |
| Ghana                            | Sub-Saharan Africa              | Lower middle income |            | 32   | 72   | 81    | 63    | 353   | 89    | 148   | 322   |
| Grenada                          | Latin America and the Caribbean | Upper middle income | SIDS       | -  | -    | 1     | 12    | -     | 37    | 4     | 23    |

| Economy         | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |       |       |       |       |       |       |       |
|-----------------|---------------------------------|---------------------|------------|--|-------|-------|-------|-------|-------|-------|-------|
|                 |                                 |                     |            | 2015   | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Guatemala       | Latin America and the Caribbean | Upper middle income |            | -  | 3     | 22    | 31    | 334   | 33    | 735   | 96    |
| Guinea          | Sub-Saharan Africa              | Low income          | LDC        | -  | 7     | 17    | 64    | 90    | 29    | 250   | 225   |
| Guinea-Bissau   | Sub-Saharan Africa              | Low income          | Both       | 10   | -     | 3     | 12    | 8     | 12    | 11    | 49    |
| Guyana          | Latin America and the Caribbean | Upper middle income | SIDS       | 1  | 7     | 2     | 15    | 15    | -     | 31    | 276   |
| Haiti           | Latin America and the Caribbean | Lower middle income | Both       | 41   | 4     | 143   | 234   | 107   | 100   | 153   | 258   |
| Honduras        | Latin America and the Caribbean | Lower middle income |            | 253  | 44    | 46    | 99    | 184   | 250   | 477   | 205   |
| India           | South Asia                      | Lower middle income |            | 1 948  | 3 017 | 2 678 | 3 703 | 3 671 | 3 549 | 3 735 | 3 737 |
| Indonesia       | East Asia and the Pacific       | Lower middle income |            | 674  | 578   | 873   | 773   | 959   | 1 172 | 1 637 | 2 170 |
| 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     |
| Jordan          | Middle East and North Africa    | Upper middle income |            | 238  | 412   | 517   | 272   | 457   | 262   | 298   | 406   |
| Kazakhstan      | Central Asia                    | Upper middle income |            | 438  | 521   | 389   | 260   | 364   | 96    | 564   | 421   |
| Kenya           | Sub-Saharan Africa              | Lower middle income |            | 260  | 159   | 581   | 1 161 | 378   | 451   | 583   | 789   |
| Kiribati        | East Asia and the Pacific       | Lower middle income | Both       | -  | 11    | -     | 2     | 32    | 49    | 1     | 3     |
| Kosovo          | Non-European Union              | Upper middle income |            | 74   | 56    | 31    | 48    | 96    | 57    | 96    | 121   |
| Kyrgyz Republic | Central Asia                    | Lower middle income |            | 73   | 179   | 55    | 118   | 189   | 101   | 109   | 1     |

| Economy                          | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |      |       |       |       |      |       |       |
|----------------------------------|---------------------------------|---------------------|------------|--|------|-------|-------|-------|------|-------|-------|
|                                  |                                 |                     |            | 2015   | 2016 | 2017  | 2018  | 2019  | 2020 | 2021  | 2022  |
| Lao People's Democratic Republic | East Asia and the Pacific       | Lower middle income | LDC        | 106  | 13   | 40    | 109   | 72    | 59   | 91    | 236   |
| Lebanon                          | Middle East and North Africa    | Lower middle income |            | 303  | 27   | 82    | 581   | 241   | 2    | 54    | 24    |
| 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    |
| Madagascar                       | Sub-Saharan Africa              | Low income          | LDC        | -  | 37   | 131   | 89    | 280   | 195  | 454   | 385   |
| Malawi                           | Sub-Saharan Africa              | Low income          | LDC        | 58   | 1    | 210   | 218   | 210   | 301  | 27    | 351   |
| Malaysia                         | East Asia and the Pacific       | Upper middle income |            | -  | -    | -     | -     | 0     | -    | -     | 0     |
| Maldives                         | South Asia                      | Upper middle income | SIDS       | 5  | 35   | 19    | 2     | 2     | 148  | 83    | 2     |
| Mali                             | Sub-Saharan Africa              | Low income          | LDC        | -  | 9    | 104   | 94    | 144   | 102  | 9     | 50    |
| Marshall Islands                 | East Asia and the Pacific       | Upper middle income | SIDS       | 2  | 1    | 21    | 32    | 12    | 17   | 2     | 46    |
| Mauritania                       | Sub-Saharan Africa              | Lower middle income | LDC        | -  | 6    | -     | 11    | 39    | 56   | 31    | 4     |
| Mauritius                        | Sub-Saharan Africa              | Upper middle income | SIDS       | 9  | -    | -     | 1     | -     | 81   | -     | -     |
| Mexico                           | Latin America and the Caribbean | Upper middle income |            | 330  | 277  | 1 211 | 1 193 | 1 006 | 575  | 1 277 | 497   |
| Micronesia                       | East Asia and the Pacific       | Lower middle income | SIDS       | -  | -    | -     | -     | 46    | 23   | 40    | 37    |
| Moldova                          | Non-European Union              | Upper middle income |            | 45   | 106  | 110   | 7     | 68    | 186  | 189   | 105   |
| Mongolia                         | East Asia and the Pacific       | Lower middle income |            | 13   | 44   | 150   | 356   | 162   | 255  | 57    | 176   |
| Montenegro                       | Non-European Union              | Upper middle income |            | 62   | 1    | 68    | 25    | 7     | 13   | 12    | 23    |
| Morocco                          | Middle East and North Africa    | Lower middle income |            | 914  | 729  | 668   | 1 057 | 927   | 842  | 916   | 1 620 |
| Mozambique                       | Sub-Saharan Africa              | Low income          | LDC        | 111  | 51   | 55    | 224   | 408   | 312  | 397   | 693   |

| Economy               | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |      |       |       |       |       |       |       |
|-----------------------|---------------------------------|---------------------|------------|--|------|-------|-------|-------|-------|-------|-------|
|                       |                                 |                     |            | 2015   | 2016 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Myanmar               | East Asia and the Pacific       | Lower middle income | LDC        | 81   | 107  | 212   | 178   | 90    | 574   | 14    | -     |
| Namibia               | Sub-Saharan Africa              | Upper middle income |            | -  | -    | 58    | 46    | 5     | 82    | 20    | 55    |
| Nepal                 | South Asia                      | Lower middle income | LDC        | 567  | 111  | 204   | 435   | 252   | 1 022 | 280   | 296   |
| Nicaragua             | Latin America and the Caribbean | Lower middle income |            | 207  | 49   | 235   | 56    | 56    | 20    | 98    | 9     |
| Niger                 | Sub-Saharan Africa              | Low income          | LDC        | 12   | 163  | 47    | 29    | 273   | 164   | 219   | 963   |
| Nigeria               | Sub-Saharan Africa              | Lower middle income |            | 1  | 102  | 34    | 1 155 | 170   | 1 050 | 1 343 | 1 157 |
| North Macedonia       | Non-European Union              | Upper middle income |            | 27   | 14   | 8     | 18    | 99    | 72    | 149   | 122   |
| Pakistan              | South Asia                      | Lower middle income |            | 1 161  | 673  | 1 018 | 1 305 | 1 294 | 944   | 2 704 | 1 043 |
| Panama                | Latin America and the Caribbean | High income         |            | 112  | 25   | 350   | 171   | 67    | 140   | 128   | 643   |
| Papua New Guinea      | East Asia and the Pacific       | Lower middle income | SIDS       | 36   | 6    | 127   | 8     | 25    | 22    | 84    | 193   |
| Paraguay              | Latin America and the Caribbean | Upper middle income |            | 4  | 4    | 51    | 294   | 116   | 542   | 33    | 57    |
| Peru                  | Latin America and the Caribbean | Upper middle income |            | 85   | 309  | 306   | 201   | 203   | 287   | 571   | 1 476 |
| Philippines           | East Asia and the Pacific       | Lower middle income |            | 657  | 638  | 167   | 505   | 1 693 | 878   | 990   | 2 908 |
| Romania               | European Union                  | High income         |            | 249  | 196  | 887   | 768   | 316   | 455   | 1 041 | 1 146 |
| Russian Federation    | Non-European Union              | Upper middle income |            | 55   | -    | -     | -     | -     | -     | 95    | -     |
| Rwanda                | Sub-Saharan Africa              | Low income          | LDC        | 63   | 57   | 203   | 217   | 121   | 355   | 293   | 344   |
| Samoa                 | East Asia and the Pacific       | Lower middle income | SIDS       | 22   | -    | 4     | 5     | 66    | 9     | 5     | 4     |
| São Tomé and Príncipe | Sub-Saharan Africa              | Lower middle income | Both       | 4  | 6    | 11    | -     | 32    | 31    | 2     | 13    |
| Senegal               | Sub-Saharan Africa              | Lower middle income | LDC        | 41   | 16   | 679   | 272   | 168   | 265   | 441   | 590   |



| Economy                        | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |      |      |      |      |      |      |       |
|--------------------------------|---------------------------------|---------------------|------------|--|------|------|------|------|------|------|-------|
|                                |                                 |                     |            | 2015   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022  |
| Serbia                         | Non-European Union              | Upper middle income |            | 100  | 143  | 290  | 621  | 284  | 332  | 418  | 1 189 |
| Sierra Leone                   | Sub-Saharan Africa              | Low income          | LDC        | -  | 10   | 2    | 51   | 51   | 55   | 112  | 33    |
| Solomon Islands                | East Asia and the Pacific       | Lower middle income | Both       | -  | 10   | 36   | 10   | 101  | 17   | 6    | 74    |
| Somalia                        | Sub-Saharan Africa              | Low income          | LDC        | -  | 8    | -    | 1    | 27   | 228  | 147  | 303   |
| South Africa                   | Sub-Saharan Africa              | Upper middle income |            | 55   | 59   | 103  | 544  | 178  | 557  | 520  | 5     |
| South Sudan                    | Sub-Saharan Africa              | Low income          | LDC        | -  | 1    | 39   | -    | 28   | 15   | 70   | 184   |
| Sri Lanka                      | South Asia                      | Lower middle income |            | 84   | 212  | 574  | 72   | 604  | 192  | 87   | 477   |
| St. Lucia                      | Latin America and the Caribbean | Upper middle income | SIDS       | -  | -    | 2    | 35   | 1    | 15   | 6    | 23    |
| St. Vincent and the Grenadines | Latin America and the Caribbean | Upper middle income | SIDS       | -  | -    | 9    | -    | 11   | 10   | 13   | 20    |
| Sudan                          | Sub-Saharan Africa              | Low income          | LDC        | 5  | -    | 13   | 41   | 58   | 13   | 572  | 52    |
| Suriname                       | Latin America and the Caribbean | Upper middle income | SIDS       | 1  | 8    | 26   | 32   | 95   | 19   | -    | 39    |
| 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   |
| Tanzania                       | Sub-Saharan Africa              | Lower middle income | LDC        | 243  | 138  | 549  | 198  | 44   | 376  | 455  | 612   |
| Thailand                       | East Asia and the Pacific       | Upper middle income |            | 176  | 91   | 130  | 533  | 97   | 76   | 316  | 269   |
| Timor-Leste                    | East Asia and the Pacific       | Lower middle income | Both       | -  | 5    | 9    | 2    | -    | 46   | 40   | 75    |
| Togo                           | Sub-Saharan Africa              | Low income          | LDC        | -  | -    | 6    | 42   | 32   | 43   | 40   | 52    |
| Tonga                          | East Asia and the Pacific       | Upper middle income | SIDS       | 15   | 8    | 1    | 14   | 83   | 28   | 27   | 55    |

| Economy            | Region                          | Income              | LDC / SIDS | Total climate finance in reporting year, in \$ million |       |       |       |       |       |       |       |
|--------------------|---------------------------------|---------------------|------------|--|-------|-------|-------|-------|-------|-------|-------|
|                    |                                 |                     |            | 2015   | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Tunisia            | Middle East and North Africa    | Lower middle income |            | 19   | 96    | 387   | 265   | 427   | 90    | 192   | 298   |
| Turkey             | Non-European Union              | Upper middle income |            | 2 582  | 2 135 | 1 790 | 1 450 | 1 449 | 1 383 | 2 386 | 2 200 |
| 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    |
| Uganda             | Sub-Saharan Africa              | Low income          | LDC        | 124  | 15    | 166   | 621   | 283   | 394   | 330   | 913   |
| Ukraine            | Non-European Union              | Lower middle income |            | 940  | 865   | 833   | 519   | 1 115 | 1 192 | 1 128 | 461   |
| Uzbekistan         | Central Asia                    | Lower middle income |            | 61   | 55    | 270   | 1 162 | 823   | 1 005 | 1 029 | 1 650 |
| 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     |
| Vietnam            | East Asia and the Pacific       | Lower middle income |            | 385  | 1 211 | 862   | 210   | 445   | 510   | 523   | 327   |
| West Bank and Gaza | Middle East and North Africa    | Lower middle income |            | 5  | 1     | 2     | 15    | 22    | 77    | 28    | 57    |
| Yemen              | Middle East and North Africa    | Low income          | LDC        | -  | -     | -     | 78    | 131   | 23    | 169   | 246   |
| Zambia             | Sub-Saharan Africa              | Low income          | LDC        | 68   | 20    | 140   | 113   | 81    | 45    | 20    | 56    |
| Zimbabwe           | Sub-Saharan Africa              | Lower middle income |            | 12   | 18    | 24    | -     | 4     | 36    | 8     | 14    |

**Table B.2. Climate finance in high-income economies for 2015-2022 (in \$ million)**

| Economy        | Region                          | Income      | Least Developed Economy/<br>Small Island State | Total climate finance in reporting year, in \$ million |        |        |        |       |       |       |       |
|----------------|---------------------------------|-------------|--|--|--------|--------|--------|-------|-------|-------|-------|
|                |                                 |             |  | 2015   | 2016   | 2017   | 2018   | 2019  | 2020  | 2021  | 2022  |
| Austria        | European Union                  | High income |  | 1 101*   | 1 188* | 852*   | 344*   | 397   | 870   | 453   | 389   |
| Bahamas        | Latin America and the Caribbean | High income | SIDS   | 1  | 1      | 44     | 100    | 4     | 218   | 143   | 137   |
| Bahrain        | Middle East and North Africa    | High income | SIDS   | -  | -      | -      | -      | -     | -     | 32    | -     |
| Barbados       | Latin America and the Caribbean | High income | SIDS   | 1  | 5      | -      | -      | 53    | 158   | 117   | 98    |
| Belgium        | European Union                  | High income |  | 427*   | 1 351* | 689*   | 697*   | 587*  | 432*  | 1 344 | 1 653 |
| Chile          | Latin America and the Caribbean | High income |  | 119  | 153    | 208    | 7      | 22    | 459   | 506   | 550   |
| Cook Islands   | East Asia and the Pacific       | High income | SIDS   | -  | 4      | 12     | -      | 5     | 5     | -     | -     |
| Croatia        | European Union                  | High income |  | 174  | 16     | 68     | 311    | 36    | 134   | 281   | 268   |
| Cyprus         | European Union                  | High income |  | 22   | 27     | 46     | 34     | 45    | 91    | 9     | 56    |
| Czech Republic | European Union                  | High income |  | 91   | 11*    | 144*   | 59*    | 620   | 498   | 733   | 1 091 |
| Denmark        | European Union                  | High income |  | 115*   | 2*     | 151*   | 175*   | 335   | 275   | 564   | 605   |
| Estonia        | European Union                  | High income |  | 47   | 89     | 5      | 8      | 10    | 182   | 89    | 19    |
| Finland        | European Union                  | High income |  | 420*   | 1 357* | 639*   | 942*   | 284   | 258   | 575   | 340   |
| France         | European Union                  | High income |  | 4 185*   | 3 124* | 4 461* | 2 673* | 3 669 | 4 895 | 6 971 | 6 160 |
| Germany        | European Union                  | High income |  | 1 669*   | 2 390* | 1 768* | 1 868* | 1 711 | 3 160 | 2 181 | 4 310 |
| Greece         | European Union                  | High income |  | 216*   | 91     | 673    | 225    | 732   | 1 353 | 1 193 | 1 839 |
| Hungary        | European Union                  | High income |  | 497  | 155    | 31     | 155    | 155   | 70    | 592   | 713   |
| Iceland        | Non-European Union              | High income |  | -  | 189*   | -      | -      | -     | -     | -     | -     |
| Ireland        | European Union                  | High income |  | 188*   | 219*   | 148*   | 221*   | 144   | 449   | 262   | 540   |
| Israel         | Middle East and North Africa    | High income |  | 160  | -      | -      | -      | -     | -     | 17    | 224   |
| Italy          | European Union                  | High income |  | 2 593*   | 2 437* | 2 492* | 1 964* | 1 985 | 3 473 | 3 546 | 5 172 |

| Economy                   | Region                          | Income              | Least Developed Economy/<br>Small Island State | Total climate finance in reporting year, in \$ million |       |        |        |       |       |       |       |
|---------------------------|---------------------------------|---------------------|--|--|-------|--------|--------|-------|-------|-------|-------|
|                           |                                 |                     |  | 2015   | 2016  | 2017   | 2018   | 2019  | 2020  | 2021  | 2022  |
| Latvia                    | European Union                  | High income         |  | 247  | 2     | 86     | -      | 102   | 2     | 68    | 128   |
| Lithuania                 | European Union                  | High income         |  | 183  | 215   | 95     | 157    | 30    | 559   | 131   | 114   |
| Luxembourg                | European Union                  | High income         |  | 60*  | 3*    | -      | -      | 223   | 0     | 7     | 21    |
| Malta                     | Middle East and North Africa    | High income         |  | -  | -     | -      | -      | 1     | 0     | -     | 7     |
| Nauru                     | East Asia and the Pacific       | High income         | SIDS   | -  | -     | 3      | 62     | 22    | -     | -     | 15    |
| Netherlands               | European Union                  | High income         |  | 630*   | 465*  | 367*   | 913*   | 816   | 795   | 1 433 | 702   |
| New Caledonia             | East Asia and the Pacific       | High income         | SIDS   | -  | -     | -      | -      | 1     | 0     | -     | -     |
| Norway                    | Non-European Union              | High income         |  | -  | 6*    | 347*   | 74*    | 72    | -     | 282   | -     |
| 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                    | European Union                  | High income         |  | 1 189  | 1 806 | 1 562  | 1 286  | 2 095 | 2 790 | 3 190 | 3 294 |
| Portugal                  | European Union                  | High income         |  | -  | -     | -      | -      | 303   | 296   | 248   | 725   |
| Seychelles                | Sub-Saharan Africa              | High income         | SIDS   | 25   | -     | -      | 2      | 0     | 5     | 9     | 19    |
| Singapore                 | East Asia and the Pacific       | High income         | SIDS   | -  | -     | -      | -      | -     | -     | 20    | 178   |
| Sint Maarten (Dutch part) | Latin America and the Caribbean | High income         | SIDS   | -  | -     | -      | -      | 118   | 55    | 25    | 44    |
| Slovak Republic           | European Union                  | High income         |  | 302  | 87    | 53     | 281    | 143   | 36    | 74    | 99    |
| Slovenia                  | European Union                  | High income         |  | 154  | 18    | 47     | 1      | 93    | 6     | 46    | 122   |
| Spain                     | European Union                  | High income         |  | 1 973*   | 560*  | 1 876* | 1 526* | 2 561 | 3 259 | 4 498 | 5 621 |
| Sweden                    | European Union                  | High income         |  | 557*   | 417*  | 1 431* | 1 038* | 1 383 | 1 681 | 572   | 717   |
| Switzerland               | Europe and Central Asia         | High income         |  | -  | 6     | -      | -      | 2     | -     | -     | -     |

| Economy              | Region                          | Income      | Least Developed Economy/<br>Small Island State | Total climate finance in reporting year, in \$ million |        |      |      |      |      |      |      |
|----------------------|---------------------------------|-------------|--|--|--------|------|------|------|------|------|------|
|                      |                                 |             |  | 2015   | 2016   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Trinidad and Tobago  | Latin America and the Caribbean | High income | SIDS   | 1  | 1      | -    | -    | -    | 21   | 1    | 65   |
| United Arab Emirates | Middle East and North Africa    | High income |  | -  | -      | -    | -    | 2    | 2    | 2    | -    |
| United Kingdom       | European Union                  | 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  |

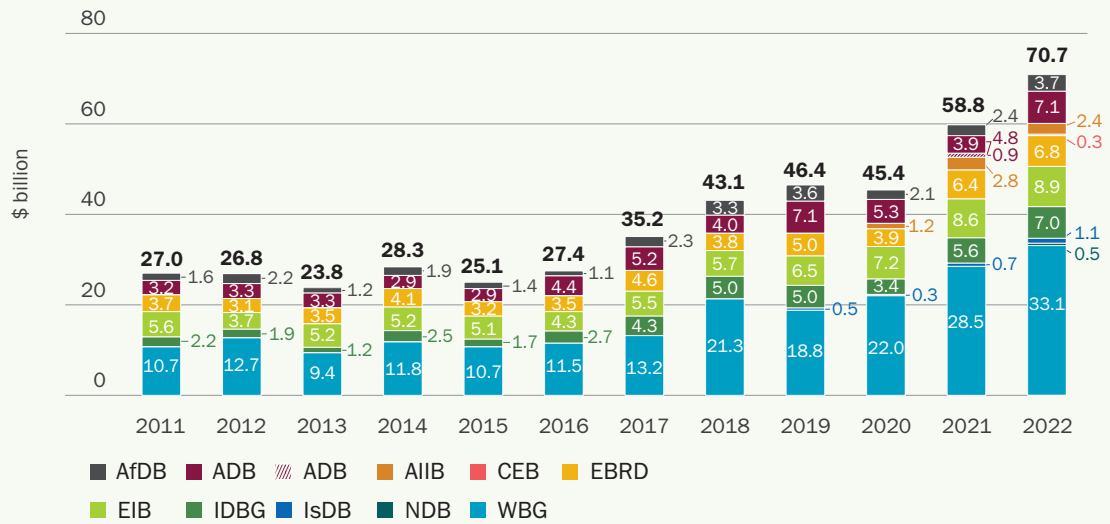
**Table B.3. Climate finance in regional, global and multi-regional projects for 2015-2022 (in \$ million)**

| Economy        | Region         | Income         | Total climate finance in reporting year, in \$ million |      |       |       |       |       |       |       |
|----------------|----------------|----------------|--|------|-------|-------|-------|-------|-------|-------|
|                |                |                | 2015   | 2016 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
| Regional       | Regional       | Regional       | 1 427  | 409  | 1 436 | 2 143 | 2 668 | 2 425 | 4 106 | 5 708 |
| Global         | Global         | Global         | 169  | 77   | -     | -     | 103   | 145   | 188   | 179   |
| Multi-regional | Multi-regional | Multi-regional | 147  | 52   | 193   | 339   | 20    | 343   | 75    | 186   |

Note: Climate finance figures for the Czech Republic were reported under the EU-12 region in the 2015 Joint Report on MDBs' Climate Finance. 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 2019-22 for the same set of economies. Note, however, that this figure is provided for historical comparison only. The 2022 edition of the report includes all economies where the MDBs operate, with a disaggregation by the income level of the borrowing or recipient country.

**Figure B.1. Climate finance commitments for 2011-21 (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 and 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) include 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 its own resources, 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.

# 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 are reporting separate category climate finance in projects where the same components or elements contribute to mitigation and adaptation simultaneously. 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:** 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 ex-ante 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 an external resource 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 2022. 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**

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; and
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*<sup>28</sup> 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 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.

28 [www.ebrd.com/2016-joint-report-on-mdbs-climate-finance.pdf](http://www.ebrd.com/2016-joint-report-on-mdbs-climate-finance.pdf)

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 methods 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**

| <b>Project focus</b>   | <b>Climate Resilience of a National Port Sector</b>  |
|--|--|
| Sector   | Transport — Ports and Maritime   |
| Brief description of project                                   | The project aims to strengthen the climate resilience of ports on an exposed coastline of the client country by introducing physical climate adaptation and resilience measures in the ports and undertaking a large-scale capacity building programme for the sector to address barriers to climate adaptation.   |
| Climate vulnerability context                                  | The client country is expected to face the consequences of climate change with long-term changes in climate and more frequent extreme events. The coastline is particularly vulnerable to sea-level rise and associated climate impacts. The sea level is expected to rise by 0.25m by 2050 and by up to 0.6m by 2100 relative to 2015. This also results in an increase in wave energy, which has more damaging impacts to physical structures. Recent episodes of severe weather, which caused widespread damage to several ports, demonstrate that the impacts are already being felt. Within the client country, ports play a strategic role in linking the national economy to wider markets as 98% of external trade passes through the country's ports. Therefore, adapting ports to the impacts of climate change and building their resilience is imperative. |
| Statement of purpose or intent to reduce climate vulnerability | The primary intention of the project is to adapt and improve the resilience of the ports sector to the impacts of climate change.  |
| Project activities linked to reducing climate vulnerability    | The physical infrastructure works financed in the project include enhancements to existing breakwaters, quay strengthening and rehabilitation. These investments are expected to improve the quality of the physical infrastructure and the ability of the relevant ports to continue operations in the face of rising sea levels and increased wave energy. In addition to the physical infrastructure works, the project also finances a substantial capacity-building component to further develop knowledge and expertise within the port sector for managing the physical risks of climate change on an ongoing basis.  |
| Type of financial instrument                                   | Investment loan  |
| Estimation of total adaptation finance (amount and percentage) | The MDB provided a loan of €40 million, of which 70% was reported as adaptation finance on a proportional basis, linked to the share of project activities that are considered adaptation activities and the expected climate resilience outcomes of reduced weather-related damage and disruption.  |

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

| <b>Project focus</b>         | <b>Improving Protection against Health Risks through Climate Risk Management and Building Resilience against Catastrophic Events</b>  |
|------------------------------|---|
| Sector                       | Health Nutrition and Population   |
| Brief description of project | The programme aims to create a climate-smart health system where climate-vulnerable populations can adapt to and be treated for the potential increase in vector-borne diseases (such as malaria and dengue fever) due to flooding and receive health advice on how to manage health impacts resulting from increasing air pollution and rising temperatures. |

|  |  |
|--|--|
| Climate vulnerability context                                  | The country has experienced rising average temperatures and has seen more erratic rainfall and increased incidence of droughts and floods. Public health impacts include an increase in heat-related mortality, a higher incidence of skin cancer, respiratory illness, cardiovascular disease, and an increase in diarrheal deaths. There has also been an expansion of dengue fever transmission vectors and declines in outdoor labour productivity. This is particularly concerning for the large agricultural workforce which often struggles to pay for health insurance coverage, a situation which is expected to be further exacerbated by climate change impacts and reduced agricultural productivity.                            |
| Statement of purpose or intent to reduce climate vulnerability | The government social reform programme is aimed at ensuring better protection against health risks and is driven by an increased vulnerability to climate change. It addresses the need to manage impacts from climate change-exacerbated diseases for vulnerable populations, especially children, the elderly, and the large proportion of the workforce that work outdoors.   |
| Project activities linked to reducing climate vulnerability    | Adaptation activities financed by this programme include expanding mandatory health insurance coverage and pension, including to climate vulnerable populations such as workers employed in agriculture and tourism; cash transfers acting as a consumption smoothing tool during times of income volatility caused by extreme weather events such as floods or droughts to protect food security and human capital of vulnerable families; establishing a steering committee dedicated to improving the healthcare system's resilience to climate change in line with the goal established at COP26, along with the establishment of risk management units for both climate-related and disaster risks and implementation of drought plans. |
| Type of financial instrument                                   | Policy-based financing   |
| Estimation of total adaptation finance (amount and percentage) | The total project cost was \$500 million, completely financed by the MDB. Adaptation finance was estimated at \$150 million (around 30% of the MDB's total financing) to account for the proportion of the project's investments directly addressing climate change adaptation, such as expansion of health insurance (4%) and a pension programme targeting climate-vulnerable populations (4%), establishing a steering committee dedicated to improving the resilience of the healthcare system (7%), cash transfers (1%), natural risk management units, and drought plans (14%).  |

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

|  |  |
|--|--|
| <b>Project focus</b>   | <b>Anchoring the issuance of Infrastructure Asset-backed Securities (IABS) and contributing to the development of infrastructure as an investment asset class</b>  |
| Sector   | Multi-sector   |
| Brief description of project                                   | <p>Through this project, the MDB makes an anchor investment of \$80 million in the issuance of IABS by an operating platform (the client financial intermediary — FI)<sup>29</sup>. The operating platform is dedicated to the purchase, securitisation and distribution of infrastructure loans in emerging markets.</p> <p>This project is in response to the need to bridge the gap in financing critical infrastructure in emerging markets, including infrastructure that aims to reduce the adverse impacts of climate change and strengthen the climate and disaster resilience of communities and economies. Through this project, the MDB seeks to finance the development of the IABS capital market in emerging economies. Specifically, as an anchor investor, the MDB aims to scale up private finance for low-carbon and climate-resilient infrastructure development through direct provision of capital and strengthening of market positioning for such assets.</p> |
| Climate vulnerability context                                  | Due to their geographic location and prevailing climate conditions, a number of emerging economies targeted by the FI have been experiencing challenges of water security. With climate change, a projected further decline in fresh water supply in these countries is expected to exacerbate the ongoing challenges. In addition to a range of other measures, infrastructure development that would help provide additional sources of water supply is needed to avert the prospect of water insecurity in these highly water-constrained economies.  |
| Statement of purpose or intent to reduce climate vulnerability | To help avert the impending deterioration of water scarcity in the FI target countries, the FI has included investments in critical infrastructure that provide clean potable water and support food security to water-stressed communities in its project pipeline, in line with its Sustainable Finance Framework.   |

<sup>29</sup> The FI is committed to implementing a Board-approved corporate climate strategy for transitioning towards a Paris-aligned pathway. The strategy has set an ambition to achieving net zero by 2050 and further enhance climate risk management and disclosure, including reporting under TCFD.

|  |   |
|--|---|
| <b>Project focus</b>   | <b>Anchoring the issuance of Infrastructure Asset-backed Securities (IABS) and contributing to the development of infrastructure as an investment asset class</b>   |
| Project activities linked to reducing climate vulnerability    | The MDB's investments in the FI will focus on the sustainable tranche of projects, including desalination plants within its pipeline <sup>30</sup> . These plants are located in a group of three highly water-stressed countries and provide an essential service to residents within the catchment of each plant. Independent third-party opinion has verified that these plants will contribute to enhancing the resilience of vulnerable communities in the three target economies, and are themselves designed and constructed with due consideration of physical climate risks and are able to deliver services as expected under a changing climate. |
| Type of financial instrument                                   | Capital markets through the FI  |
| Estimation of total adaptation finance (amount and percentage) | The total adaptation finance is \$31.5 million representing 39% of MDB investment in the project, based on a proportional approach.   |

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

|  |   |
|--|---|
| <b>Project</b>   | <b>Youth Adaptation Solutions Challenge</b>   |
| Sector(s)  | Multi-sector (Agriculture; Waste Management; Water Supply and Sanitation; Renewable Energy; Soil and Water Management)  |
| Brief description of project                                   | <ul style="list-style-type: none"> <li>The challenge is an annual competition that invites young entrepreneurs and micro, small, and medium enterprises from the region (50% women-led enterprises) to submit innovative solutions and businesses that are driving climate change adaptation and resilience action and have potential for scale-up.</li> <li>This project aims to inspire and support the commercialisation and scaling of climate change adaptation solutions, driven by youth entrepreneurs. The challenge is open to solutions (products, services, tools) targeted at climate change adaptation and resilience across climate-sensitive sectors.</li> <li>The goal of the programme is to support youth-led enterprises operating in climate adaptation and resilience sectors with a \$100 000 capitalisation grant per enterprise and a 12-month accelerator programme along with mentorship and networking opportunities. The eligible enterprises are 2+ years in operation and viable businesses, legally registered and operating in the region, youth-led (aged between 18-35) and must be delivering climate adaptation or resilience solutions addressing real-life challenges.</li> </ul>   |
| Climate vulnerability context                                  | <ul style="list-style-type: none"> <li>Young people in the project region are at the frontier of the climate emergency and experiencing climate risks first-hand. Today's climate actions will directly affect their lives. Climate and environmental hazards affecting young people in the region include flooding, heatwaves, drought, cyclones, water scarcity and high levels of pollution. The 2022 IPCC report provides evidence that the youth of today will experience extreme weather events spiralling out of control in the future, affecting their quality of life, as well as their health, well-being, and security. The report further flags the insufficiency of current levels of adaptation.</li> <li>Many youths are growing up in parts of the world where the impacts of climate change will hit hardest. With an urgent drive to act to avoid disastrous climate change, an increasing number of young people are leading climate adaptation efforts in their communities and regions. Young climate entrepreneurs have developed many innovative adaptation solutions to bring real and concrete change achieving triple dividends — generating income for themselves, creating jobs, and solving climate challenges at the grassroots.</li> </ul> |
| Statement of purpose or intent to reduce climate vulnerability | <ul style="list-style-type: none"> <li>The overarching objective of the Youth Challenge is to promote job creation through social entrepreneurship and innovation for action on climate adaptation and resilience in the region. It aims to prepare a new generation of youth for the transition towards green and climate-resilient development, as well as to combat poverty and improve the quality of life for youth in the region.</li> <li>The solutions provided by the young entrepreneurs address specific climate risks identified in different regional contexts. Some of the solutions include drought-resistant seedlings that are helping farmers improve productivity despite harsh climatic conditions; rooftop farming that is creating more green spaces that contribute to the health of the city ecosystems and artificial intelligence-powered irrigation systems that are supporting year-round production to combat drought, among other solutions.</li> </ul>   |

30 The green loan eligibility criteria further define the desalination plants to be powered by low-carbon sources.

| Project  | Youth Adaptation Solutions Challenge  |
|--|---|
| Project activities linked to reducing climate vulnerability    | <ul style="list-style-type: none"> <li>The winning enterprises provide climate adaptation and resilience solutions in critical social and economic sectors affected by climate change, including agriculture; waste management; water resources and sanitation; renewable energy and energy efficiency; and ecosystem restoration.</li> <li>Some of the solutions include creating sustainable and climate-resilient aquatic food systems by leveraging artificial intelligence; propagating drought-resistant seedlings to address food insecurity; leveraging tropical insect farming techniques to convert food waste into climate shock-resistant food alternatives; advancing sustainable and cost-effective industrial cooling processes that minimise post-harvest losses; installing climate-smart irrigation technology as alternatives to rain-fed agriculture; tapping into the use of artificial intelligence analytics to capture soil health parameters; and accelerating the productive use of climate-smart agriculture technologies and organic fertilisers among smallholder farmers, among many others.</li> </ul> |
| Type of financial instrument                                   | Grant   |
| Estimation of total adaptation finance (amount and percentage) | The total project cost was \$4.1 million, and the project is 100% climate adaptation finance.   |

### 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 Change Mitigation Finance Tracking<sup>31</sup> to validate their investment as mitigation finance (the 2021 update of 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 and focus 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 eligible activities are also fit for purpose, provided that the link to eligible activities is clear or sufficiently demonstrated<sup>32</sup>. 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 GHG 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.

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 particularly the following two aspects 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 GHG emissions in the short term, risk a long-

31 [https://www.eib.org/attachments/documents/mdb\\_idfc\\_mitigation\\_common\\_principles\\_en.pdf](https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf)

32 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.

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 agreed to operationalise the new version of the common principles starting in 2021 over a period of two years, during which time the list of eligible activities will be used as an exhaustive list. At the end of the two-year period, the MDBs and the IDFC will adjust the list, if required, based on their respective experience. The aim at the end of this two-year operationalisation period is to have a common list of eligible activities, considered an exhaustive list by both the MDBs and the IDFC.

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 GHG emissions progresses.

Please see the full list of the common principles and list of eligible activities:

[https://www.eib.org/attachments/documents/mdb\\_idfc\\_mitigation\\_common\\_principles\\_en.pdf](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**

|   |   |
|---|---|
| <b>Project focus</b>  | <b>Production of copper foil (electric vehicle battery parts) from copper scraps contributing to the electrification of the European transport sector and the circular economy.</b>   |
| Sector  | Chemical Manufacturing  |
| Brief description of project  | Construction of a greenfield copper foil manufacturing plant. The copper foil will be produced entirely from copper scrap and used for production of electric vehicle (EV) battery cathodes in Europe.  |
| Classification (as per Common Principles for Climate Mitigation Finance Tracking):<br>(1) Sector (according to Tables 2-12 of the common principles)<br>(2) Category<br>(3) Eligible activity | (1) Manufacturing<br>(2) Support for low-carbon development<br>(3) Projects that support the 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 \$28 million provided by the MDB is accounted as climate mitigation finance. Mitigation outcomes have been embedded with the following activities: <ul style="list-style-type: none"> <li>• Increase in copper foil production contributing to increase of EV battery production and consequently achieving Scope 3 savings</li> <li>• Increase in usage of scrap copper contributing to the circular economy of the EV battery sector</li> </ul> |
| Type of mitigation finance (own resources, co-finance)  | MDB own account   |

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

|                      |  |
|----------------------|--|
| <b>Project focus</b> | <b>Equity investment to finance the deployment of cutting-edge electric cargo drones to provide last-mile delivery services for third parties.</b> |
| Sector               | Transport  |

|   |   |
|---|---|
| Brief description of project  | There is growing interest in the drone delivery sector globally, with initial targets being delivery of urgent medical goods, small parcels, groceries and spare parts, particularly in deep rural locations. The project supports the development, production, deployment, and operation of electric unmanned aerial vehicles, enabling last-mile delivery services at a competitive cost while reducing greenhouse gas emissions and air pollution caused by fossil fuel-based means of transport. The electric cargo drones supported by the equity investment have superior performance characteristics in terms of speed, range, payload and redundancy. |
| Classification (as per Common Principles for Climate Mitigation Finance Tracking):<br>(1) Sector (according to Tables 2-12 of the common principles)<br>(2) Category<br>(3) Eligible activity | Table 11 — Research, development and innovation.<br>Research on or development of renewable energy, energy efficiency improvement, low-carbon technologies, or other technologies instrumental to achieving full decarbonisation.   |
| Type of financial instrument  | Equity investment   |
| Calculation of mitigation finance, including basis (for example, eligible components)   | The total amount of finance provided by the MDB is accounted as climate mitigation finance, since the investment is totally devoted to the deployment of cutting-edge electric cargo drones to provide last-mile delivery services.   |
| Type of mitigation finance (own resources, co-finance)  | Co-finance with MDB own account.  |



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

| <b>Project focus</b>   | <b>National climate policies</b>  |
|--|---|
| Sector   | Cross-sectoral activities   |
| Brief description of project   | <p>The programme will support the country to implement its national climate policies, including its Nationally Determined Contribution (NDC), which aims to peak greenhouse gas emissions by 2030, and scale up climate adaptation, mitigation, and disaster resilience. The programme will increase and intensify actions to transform key sectors toward a climate-resilient and low-carbon economy. It focuses on sectors that are of national priority for climate actions, targeting adaptation in highly vulnerable sectors (agriculture, natural resources, and environment) and mitigation in emissions-intensive sectors (energy and transport). The programme reform areas are:</p> <p>Reform Area 1: Strengthening planning, financing, and institutional linkages for climate action. This reform area strengthens institutional and planning linkages at the national level and between national and local levels, and enhances the enabling framework for public and private climate financing. Policy actions are expected to result in more climate action across sectors, driven by coordinated NDC implementation, increased accountability for climate action in sector agencies and stronger capacity of local governments. Policy actions on finance will support the scaling up of domestic and external climate finance, and enable actions that support both the conditional and unconditional commitments of the NDC.</p> <p>Reform Area 2: Enhancing resilience to climate impacts. This reform area improves climate resilience in agriculture, natural resources and the environment by focusing on policy actions which directly address the key objectives, outcomes and activities of the food security and environmental stability priorities of the National Climate Change Action Plan. The reforms will contribute to (i) improved resilience of farming and fishing communities through access to climate services and technologies; (ii) improved climate resilience of agriculture, fisheries, and food systems; (iii) enhanced ecosystem stability and biodiversity; and (iv) better managed climate risks.</p> <p>Reform Area 3: Strengthening low-carbon pathways. This reform area seeks to support a just transition to low-carbon pathways, with cleaner energy and transport services and reduced reliance on fossil fuels. The reform measures are expected to lead to (i) increased use of renewable energy and storage and increased energy efficiency, (ii) demonstrated commercial application of new clean energy technologies, and (iii) improved access to public transportation and electric vehicles across the country.</p> <p>The programme constitutes the first dedicated climate change policy-based loan undertaken by the MDB and addresses climate change as its core objective.</p> |
| Classification (as per Common Principles for Climate Mitigation Finance Tracking):<br>(1) Sector<br>(according to Tables 2-12 of the common principles)<br>(2) Category<br>(3) Eligible activity | <p><b>MITIGATION</b><br/>Sector: Cross-sectoral activities<br/>Category: Policy support and technical assistance for climate change mitigation<br/>Eligible activity: National, subnational or territorial cross-sectoral policy actions that aim to lead to climate change mitigation actions or technical support for such actions</p> <p><b>ADAPTATION</b><br/>Cross-cutting sectors</p>   |
| Type of financial instrument   | Policy-based lending  |

|   |   |
|---|---|
| Calculation of mitigation finance, including basis (for example, eligible components) | <p>The loan amount was divided equally among the policy actions, all of which address climate change. The associated amount for policy actions that are considered mitigation actions are counted as mitigation finance and those that are adaptation actions are counted as adaptation finance. The amount associated with policies that contribute to both climate change mitigation and climate change adaptation were split equally between adaptation and mitigation finance.</p> <p>Reform Area 1, which focuses on cross-cutting planning, financing and institutional linkages, has policy actions related to: (i) finalisation of the updated NDC which encompasses mitigation and adaptation; (ii) strengthening of institutional arrangements; and (iii) linkages between national and local governments to improve climate-related planning. The amount attributed to each policy action is split equally between climate change adaptation and mitigation finance.</p> <p>All policy actions under Reform Area 2 focus on increasing resilience of the agriculture sector, environment and natural resources. Estimated climate change adaptation finance is 100% of the amount attributed to each of the five policy actions under this reform area.</p> <p>All of the four policy actions under Reform Area 3 focus on reducing greenhouse gas emissions and are classified as climate change mitigation. Estimated climate change mitigation finance is 100% of the amount attributed to each policy action.</p> <p>Adaptation finance: \$133.929 million<br/>Mitigation finance: \$116.071 million</p> |
| Type of mitigation finance (own resources, co-finance)                                | MDB own account   |

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

| <b>Project focus</b>         | <b>Improving water quality and expanding sewage collection and treatment</b>  |
|------------------------------|---|
| Sector                       | Water supply and wastewater   |
| Brief description of project | <p>The project's investments focus on improving water quality and expanding sewage collection and treatment in the poorest and most heavily populated neighbourhoods of the city, as part of the River Clean-Up Programme. Proceeds will be allocated to projects related to (i) the programme to clean up the river in the city; (ii) improved sanitation services in coastal regions; and (iii) improved water supply in municipalities in the coastal region and the outskirts of the city.</p> <p>The river crosses through the capital city and has its confluence with another river, which comprises several reservoirs along its course. It is considered one of the most heavily polluted rivers in the country and has long suffered from anthropogenic pollution caused by non-point domestic sewage load that is released daily (without any treatment) into the various tributaries. This results in disruptions to the natural levels of oxygen in the river as explained by the appearance of algae blooms, a phenomenon that indicates eutrophication of the water body. The River Clean-up Programme is already ensuring the improvement of oxygenation and reduction of organic matter by increasing sewer connections to households so that no clandestine sewage will be dumped into the river, which should increase the amount of oxygen in the water, reduce anaerobic conditions and reduce GHGs, and monitoring the BOD (biochemical oxygen demand) values to ensure they drop below the requirements for the water to be odourless, improve its turbidity and allow aquatic life.</p> <p>The project has significant human health, environmental and biodiversity benefits in addition to climate mitigation and adaptation benefits and has been structured as a blue loan. The blue loan framework reviewed by an external second opinion provider is publicly available with eligible activities such as water supply investments in the research, consulting, design, development, and implementation of efficient and clean water supply and water sanitation: investments in the research, consulting, design, development, and implementation of water treatment solutions and commitment to publicly report impact from the projects.</p> |

|   |  |
|---|--|
| 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) | Sector: Water supply and wastewater<br>Category: Energy and resource efficiency and GHG emission reduction in water supply, and wastewater management<br>Eligible activity: Greenfield and brownfield projects that promote improved operation and maintenance to reduce water losses, promote energy savings, and meet or exceed wastewater treatment targets   |
| Type of financial instrument  | Investment loan of \$145 million   |
| Calculation of mitigation finance, including basis (for example, eligible components)   | Based on the use of proceeds, the overall investment of the corporate loan amounts to \$145 million for the financing of 13 water supply and sanitation projects. Four projects are part of the River Clean-Up Programme climate mitigation finance due to their contribution to mitigation goals, with wastewater treatment connections for 118 000 households to divert untreated effluent away from the river which should increase the amount of oxygen in the water, reduce anaerobic conditions and reduce an estimated 4 290 tonnes of CO <sub>2</sub> eq per year through improving eutrophication of the water body. Additional emission reductions come from reducing methane emissions released by the polluted river, but these have not been calculated. The climate finance percentage was calculated by dividing the sum of the investments in the four projects qualifying for mitigation finance by the total investment. These projects account for \$58 million of the total investment of \$145 million, with the climate mitigation finance percentage of 40% (58/145).<br><br>Climate adaptation finance related to adaptation components (reducing the risk of drought and water shortages, and increasing water resilience in the considered areas to limit the impact of climate change) was assessed separately. |
| Type of mitigation finance (own resources, co-finance)  | MDB own account  |

#### **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 GHG 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 2022, 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)**

| <b>MDB</b>   | <b>Adaptation finance</b> | <b>Mitigation finance</b> | <b>Dual-benefit finance</b> | <b>Total</b>  |
|--------------|---------------------------|---------------------------|-----------------------------|---------------|
| AIIB         | 327                       | 1 937                     | 127                         | 2 391         |
| EBRD         | 194                       | 6 451                     | 113                         | 6 758         |
| IDBG         | 1 666                     | 3 111                     | 2 189                       | 6 966         |
| IsDB         | 406                       | 315                       | 329                         | 1 050         |
| <b>Total</b> | <b>2 592</b>              | <b>11 814</b>             | <b>2 759</b>                | <b>17 165</b> |

Note: Numbers may not add up due to rounding.

**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         | 15 543             | 51 784             | 1 522                | 68 850         |
| Policy-based financing  | 2 702              | 5 464              | 1 077                | 9 243          |
| Grant                   | 3 548*             | 2 547*             | 17                   | 6 113*         |
| Guarantee               | 421                | 2 261              | 56                   | 2 738          |
| Equity                  | 18                 | 1 586              | 2                    | 1 605          |
| Line of credit          | 513                | 5 416              | 24                   | 5 953          |
| Results-based financing | 804                | 1 533              | 0                    | 2 337          |
| Other                   | 183                | 2 370              | 61                   | 2 614          |
| <b>Total</b>            | <b>23 733*</b>     | <b>72 961*</b>     | <b>2 759</b>         | <b>99 453*</b> |

Note:

1. Numbers may not add up due to rounding.
2. (\*) See footnote 1 for Figures 1a and 1b.

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

| Project focus  | Improve quality of education   |
|--|--|
| Sector   | Education  |
| Brief description of project   | The objective is to support the transformation of the education system to improve its relevance, quality, and inclusiveness. The specific objectives are: (i) develop a modernised curriculum framework to teach students relevant skills; (ii) increase inclusiveness of students with special needs; (iii) create a positive learning environment by upgrading physical and technological resilient and sustainable infrastructure; and (iv) improve sector management.  |
| Classification:<br>(1) mitigation and<br>(2) adaptation<br>finance                     | Mitigation: Buildings, Public Infrastructure and End-Use Energy Efficiency<br>Adaptation: Energy, transport and other built environment infrastructure<br>Dual: M. Cross-Sectoral Activities A. Other sectors – education  |
| Calculation of climate finance, including the basis (for example, eligible components) | Total: \$200 million <ul style="list-style-type: none"> <li>• Component 1: Curriculum reform (\$4.8 million). Amongst other changes, the new material will include themes of blue economy, skills for green jobs, and climate change). Of this portion \$2.43 million is related to climate finance investments.</li> <li>• Component 2: Inclusive education (\$1.2 million). No climate finance in this component.</li> <li>• Component 3: Upgrading of physical and digital resilient and sustainable infrastructure (\$9.29 million). The objective is to upgrade the physical and digital infrastructure in ten primary schools to meet sustainable and resilient best practice standards and building code requirements, including:(i) cost-effective measures of energy and water efficiency following the EDGE guidelines. Of this portion \$3 million is considered climate finance.</li> <li>• Component 4: Improved sector management (\$2 million). No climate finance in this component.</li> <li>• Additional management fees. (\$2.6 million).</li> </ul> Total climate finance: 27%, of which 12.15% is dual. |
| Type of financial instrument   | Investment loan  |
| Type of finance (own account, co-finance)  | MDB own account  |

**Table C.4.4. Case study #2 of tracking a dual-benefit project**

| <b>Project focus</b>   | <b>Upgrading of informal settlements and integrated urban development</b>   |
|--|---|
| Sector   | Urban   |
| Brief description of project   | <p>The overall development objective of the project is to contribute to a National Zero Slum Programme and Housing Strategies by improving the livelihood of poor households in informal settlement neighborhoods through the upgrading of urban infrastructure, access to decent housing for all, and economic empowerment. The project is aligned with the National Urban Development Master Plan, which includes provisions to make the city and neighbourhoods resilient to climate change.</p> <p>The country is considered one of the most vulnerable to climate change and climate-related effects, including drought, high temperatures, rising sea levels, flash floods and salinisation of soil and water. The informal settlements included in the project are located in the country's capital city, close to the coast, where they are particularly exposed to water level rise and flooding. The project supports the country's NDC, with components aligned to national mitigation and adaptation goals.</p> |
| Classification:<br>(1) mitigation and<br>(2) adaptation<br>finance                     | This project contains components contributing to both mitigation and adaptation finance.  |
| Calculation of climate finance, including the basis (for example, eligible components) | <p>Total project finance: \$17.84 million. Climate finance: \$2.2 million, or 15%.</p> <p>Project components contributing to climate finance include:</p> <ul style="list-style-type: none"> <li>• Construction of drainage system to alleviate flooding and water level rise;</li> <li>• Solar lighting for public areas and green spaces;</li> <li>• Developing a new master plan for the capital city, with an emphasis on climate resilience; and</li> <li>• Integrating low-carbon principles ( such as energy efficiency) into new housing for low-income households.</li> </ul>  |
| Type of financial instrument   | Investment loan   |
| Type of finance (own account, co-finance)  | <p>MDB own account \$15 million</p> <p>Government finance contribution: \$2.84 million</p>  |

**Table C.4.5. Case study #3 of tracking a dual-benefit project**

| <b>Project focus</b>                           | <b>Integrated Rural (Sustainable infrastructure) Development</b>   |
|--|--|
| Sector   | Rural Development, Agriculture, Water and Sanitation/infrastructure /Energy (RE and EE)  |
| Brief description of project                   | <p>The project is located in a double-landlocked country with population growth at a pace of 2% per annum since 2017. The country is also facing slow economic growth. Poverty incidences are prevalent in rural areas; around 79% of the poor in 2018 were rural population. Utility infrastructure in rural areas has exceeded its lifespan. Nearly two-thirds of the rural population make their living from the agriculture sector, and the climatic condition of the country is causing the withdrawal of both fresh water and water for irrigation.</p> <p>The project aims to improve the living standards and prosperity of the rural population with access to quality and resilient infrastructure, empowering and strengthening the rural communities in the area of agriculture resilient practices.</p> |
| Project approach, components and sub-component | <p>The project will be implemented using the community-driven development approach (CDD), and all infrastructure will have climate-resilient aspects and will apply energy-efficient, resources-saving technologies, sustainability, and disaster risk mitigation mechanisms.</p> <p>The project consists of the following components and activities financed by the MDB:</p> <ol style="list-style-type: none"> <li>(1) construction of basic infrastructure (\$232 million)</li> <li>(2) consultancy services for rural infrastructure development: (i) Capacity development for stakeholders; and (ii) Community development plans (CDP) for stakeholders (\$15 million)</li> </ol>   |

| <b>Project focus</b>   | <b>Integrated Rural (Sustainable infrastructure) Development</b>  |
|--|---|
| Classification:<br>(1) mitigation and<br>(2) adaptation<br>finance                     | Mitigation finance (positive list of eligible activities)<br>1. Energy; 1.1. Renewable energy generation.<br>4. Agriculture, forestry, land use, and fisheries<br>6. Solid waste management<br><br><ul style="list-style-type: none"> <li>• Adaptation finance: Transport built environment and infrastructure. Institutional capacity support or technical assistance. Other agricultural and ecological resources.</li> <li>• Climate vulnerability context — Desktop climate risk screening, on-site technical assessment, consultation with local stakeholders.</li> <li>• The project will contribute directly to achieving SDG 2 Zero Hunger by improving food security measures and SDG 6 Water and Sanitation.</li> <li>• Project activities linked to reducing climate vulnerability include: <ul style="list-style-type: none"> <li>• Building resilience in rural communities by adopting resilient agricultural practices</li> <li>• Integrating resilient (and low-carbon) elements in new infrastructure and improvement of old infrastructure</li> </ul> </li> </ul> |
| Calculation of climate finance, including the basis (for example, eligible components) | The climate financing of \$232 million will cover <ul style="list-style-type: none"> <li>• \$217 million — Basic rural infrastructure: (i) potable water, (ii) sanitation systems, (iii) social amenities, (iv) market infrastructure that will facilitate the development of the agricultural value chain.</li> <li>• \$15 million — Market infrastructure, which includes the use of sustainable building materials, renewable energy sources (solar), and energy efficiency equipment.</li> <li>• Consultancy services for rural infrastructure development.</li> </ul>  |
| Type of financial instrument   | Investment loan   |
| Type of finance (own account, co-finance)  | Total project cost: \$293.5 million <ul style="list-style-type: none"> <li>• MDB own account \$260 million</li> <li>• Counterpart funding \$33.5 million</li> </ul>   |

**Table C.4.6. Case study #4 of tracking a dual-benefit project**

| <b>Project focus</b>   | <b>Water supply and wastewater management</b>   |
|--|---|
| Sector   | Water   |
| Classification:<br>(1) mitigation and<br>(2) adaptation<br>finance | (1) Mitigation:<br>Water supply and wastewater<br><br>(2) Adaptation:<br>Water and wastewater systems |

| <b>Project focus</b>   | <b>Water supply and wastewater management</b>   |
|--|---|
| Calculation of climate finance, including the basis (for example, eligible components) | <p>The project contributes to reducing climate vulnerability by improving access to resilient water and sewage services. <u>The climate co-benefit of the envisaged activities is estimated at 50% of the project cost.</u></p> <p>Climate finance amount: \$124.20 million, 50% of total financing from the Bank.</p> <p>The components of the project are the following:</p> <ol style="list-style-type: none"> <li>1) Investment in Water Supply Infrastructure (\$160.7 million)</li> <li>2) Investment in Sewage Infrastructure (\$94.3 million)</li> <li>3) Project Implementation and Management Support (\$13.9 million)</li> </ol> <p>This project constitutes the second phase of a greater effort to extend water and sanitation services to all in the region; this second phase project supports investments to extend and improve water supply and sewage services to comprehensively cover the remaining districts of the region.</p> <p>As for the adaptation considerations, the project will include measures to reduce the pressure on scarce water resources:</p> <ol style="list-style-type: none"> <li>(i) adopt smart metering for production and distribution facilities that allows remote reading with automatic data transmission, which enables the utility manager to run regular water loss reduction campaigns;</li> <li>(ii) adopt mechanical household meters, which in turn will help to promote water savings;</li> <li>(iii) reduce water losses through the replacement of obsolete water supply networks; and</li> <li>(iv) include optional tertiary treatment facilities for reuse purposes, which could contribute additional adaptation benefits.</li> </ol> <p>As for the mitigation considerations, adopting measures to improve energy efficiency of the water supply and sanitation facilities are included in the project (mainly through replacement of pumps and treatment plants with energy-efficient options and designs), which will also contribute to reducing greenhouse gas emissions during operation.</p> <p>At the detailed design stage, the planned water supply and sewage infrastructure will be further optimised considering climate change mitigation (through energy efficiency technical solutions) and climate change adaptation (such as water loss reduction, consideration of water reuse) and the climate co-benefit will be confirmed.</p> |
| Type of financial instrument   | Investment loan   |
| Type of finance (own account, co-finance)  | MDB own account   |

**Table C.4.7. Case study #5 of tracking a dual-benefit project**

| <b>Project focus</b>  | <b>Introduction of climate smart farming practices</b>   |
|---|--|
| Sector  | Agriculture  |
| Brief description of project                                    | The project consists of financing the working capital needs of a commodity trader, to support procurement activities including pre-financing of olive farmers, capacity increase and modernisation of the processing plants, biomass combined heat and power (CHP) investments and other small capex investments. The project will introduce modern sustainable and climate smart farming practices to improve climate resilience and reduce environmental impact (GHG emissions, fertiliser and pesticides) from farming activities and supports the uptake of renewable energy technologies. |
| Classification:<br>(1) mitigation and<br>(2) adaptation finance | <p>(1) Mitigation: Energy — Solar-powered electricity generation</p> <p>(2) Adaptation: Crop and food production — Primary agriculture and food production</p>   |

| Project focus  | Introduction of climate smart farming practices  |
|--|--|
| Calculation of climate finance, including the basis (for example, eligible components) | <p>MDB provided a senior loan in the amount of \$50 million.</p> <p>Mitigation: The investment of \$6.1 million (13% of the total investment amount) will be provided to finance installation of a photovoltaic system and a new biomass CHP facility</p> <p>Adaptation: The investment of \$3.2 (7% of the total investment amount) towards procurement of olives in the country will contribute to enhancing climate change resilience of the olive supply chain. As part of this transaction, the company will develop and implement a supply chain engagement programme and associated monitoring, reporting and verification (MRV) system to support farmers in the adoption of climate smart farming practices that will improve the resilience of their production to climate change. Climate change impact on olive production in the country will be analysed, including olive quantity and quality, water availability and quality, the presence of pests, diseases and pollination. Climate smart practices will be identified and, in conjunction with the olive farming training academy established as part of the transaction, the company and its suppliers will be provided with know-how on climate change resilient and low environmental impact agricultural practices and tools to better assess and monitor resource efficiency and environmental performance of production.</p> |
| Type of financial instrument   | Investment loan  |
| Type of finance (own account, co-finance)  | MDB own account  |

## ANNEX C.5. TYPES OF INSTRUMENTS

The types of financial instrument containing climate finance as reported for 2022 include the following:

- 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:

- Refinancing of assets that have reached financial closure for the entire term of the project or that have passed the break-even point, provided that the client commits to originating new climate deals for that amount within the next 24 months.
- Refinancing of assets where financial closure has not yet taken place, or where the project has not yet been fully constructed and is not yet operational.
- 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 break-even point (for example, recently built solar projects). The break-even 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 its 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 "prior actions" agreed in order to allow the policy-based financing to proceed. For example, if one in three prior 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 | <p>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))</p> <p>Doubling of climate finance to \$25 billion for the period 2020-25, giving priority to adaptation finance.</p> <p>Source: <a href="#">The African Development Bank pledges \$25 billion to climate finance for 2020-2025, doubling its commitments</a></p>  |
| ADB  | <p>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 the 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.</p> <p>Sources: <a href="#">Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific</a><br/><a href="#">News Release: ADB Raises 2019–2030 Climate Finance Ambition to \$100 Billion</a></p> <p>Medium-term targets: 65% of the number of operations (on a three-year rolling average) and \$35 billion for the period 2019-24.</p> <p>Source: <a href="#">ADB Corporate Results Framework, 2019–2024: Policy Paper</a></p>  |
| AiIB | <p>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. The bank currently estimates its cumulative climate finance approvals to be \$50 billion by 2030.</p> <p>Source:<br/><a href="#">AiIB Corporate Strategy: Financing Infrastructure for Tomorrow</a>,<br/><a href="#">AiIB to Fully Align with Paris Agreement Goals by Mid-2023</a>. Currently projects USD50 billion investment for climate finance by 2030</p>   |
| EBRD | <p>Green finance is to account for more than 50% of total annual EBRD investment by 2025.</p> <p>The EBRD's <a href="#">Green Economy Transition (GET) approach for the period 2021-25</a> is helping economies where the EBRD operates to 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.</p> <p>Source: <a href="https://www.ebrd.com/what-we-do/get.html">https://www.ebrd.com/what-we-do/get.html</a></p> |
| EIB  | <p>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.</p> <p>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 is set to increase to 15% of climate finance by 2025.</p> <p>Sources:<br/><a href="#">The EIB Group Climate Bank Roadmap 2021-2025</a><br/><a href="#">The EIB Climate Adaptation Plan: Supporting the EU Adaptation Strategy to build resilience to climate change</a></p>   |
| IDBG | <p>Climate finance in IDB Group operations (of climate finance approvals as a percentage of all financing commitments for 2020-23) is <math>\geq 30\%</math> (annual floor). Note: IDB Invest reports at the level of closings (not approvals).</p> <p>Source: <a href="https://crf.iadb.org/en">https://crf.iadb.org/en</a></p>  |
| IsDB | <p>The IsDB is committed to a climate finance target of 35% of total financial commitments by 2025.</p> <p>This 35% climate finance target <b>excludes</b> 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).</p> <p>Source: <a href="#">IsDB 2020-2025 Climate Action Plan</a></p>  |
| NDB  | <p>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.</p> <p>Source: <a href="https://www.ndb.int/wp-content/uploads/2022/07/NDB_StrategyDocument_eVersion_07.pdf">https://www.ndb.int/wp-content/uploads/2022/07/NDB_StrategyDocument_eVersion_07.pdf</a></p>   |
| WBG  | <p>The WBG announced a target for an average of 35% of its financing to be climate finance over the period 2021-25. 50% of IBRD and IDA climate financing will support adaptation and resilience.</p> <p>The 35% target is a significant increase from the 26% achieved on average over the period 2016-20 and an even larger increase in dollar terms as the World Bank Group's total financing has also expanded.</p> <p>Source: <a href="https://openknowledge.worldbank.org/handle/10986/35799">https://openknowledge.worldbank.org/handle/10986/35799</a></p>  |





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