



2019 UPDATE

# The 2030 Sustainable Development Agenda and the World Bank Group: Closing the SDGs Financing Gap



2019 UPDATE

**The Sustainable Development  
Agenda and the World Bank Group:  
Closing the SDGs Financing Gap**

*World Bank Group Headquarters.  
World Bank / Simone D. McCourtie.*



# Contents ▶▶▶

<b>Acknowledgments</b>	<b>9</b>
Disclaimer	9
Rights and Permissions	9
<b>Foreword: Implementing the 2030 Agenda</b>	<b>11</b>
<b>Introduction</b>	<b>15</b>
Strategic Direction	16
<b>Financing the 2030 Agenda: 2019 Overview</b>	<b>19</b>
Domestic Resource Mobilization	22
Mobilizing Private Sector Investment	23
Innovative Financing Tools	25

## CLOSING THE SDGS FINANCING GAP

### **SDG 1**

#### **No Poverty** 29

Financing SDG1: Supporting Domestic Resource Mobilization to Reduce Poverty 33

### **SDG 2**

#### **Zero Hunger** 35

Financing SDG2: Boosting Nutrition and Food Security 37

### **SDG 3**

#### **Good Health** 39

Financing SDG3: Innovative Health Financing 42

### **SDG 4**

#### **Quality Education** 45

Financing SDG4: The Human Capital Project 47

### **SDG 5**

#### **Gender Equality** 49

Financing SDG 5: The Women Entrepreneurs Finance Initiative 51

### **SDG 6**

#### **Clean Water and Sanitation** 53

Financing SDG 6: Combining Public and Private Resources to Close Financing Gaps 56

### **SDG 7**

#### **Affordable and Clean Energy** 59

Financing SDG 7: IBRD Guarantees, IDA Credits, and ESMAP 63



<b>SDG 8</b>		
<b>Inclusive Growth, Full and Productive Employment and Decent Work</b>		<b>65</b>
Financing SDG 8: Employment, Decent Work and Investing in Capital Markets		68
<b>SDG 9</b>		
<b>Industry, Innovation, and Infrastructure</b>		<b>71</b>
Financing SDG 9: Strengthening PPPs and Creating Markets for Financing Industry, Innovation and Infrastructure		74
<b>SDG 10</b>		
<b>Reduce Inequality Within and Among Countries</b>		<b>77</b>
Financing SDG 10: Social Bonds and Addressing Inequality in Project Design		81
<b>SDG 11</b>		
<b>Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable</b>		<b>83</b>
Financing SDG11: The Cities Resilience Program and CAT Bonds		86
<b>SDG 12</b>		
<b>Sustainable Consumption and Production</b>		<b>89</b>
Financing SDG 12: Pollution Management and Environmental Health		93
<b>SDG 13</b>		
<b>Take Urgent Action to Combat Climate Change and its Impacts</b>		<b>95</b>
Financing SDG 13: Climate Adaptation Finance and Green Bonds		99

**SDG 14**

**Life Below Water**

**101**

Financing SDG14: PROBLUE

104

**SDG 15**

**Life on Land**

**107**

Financing SDG15: The Forest Action Plan and the Payment for Environmental Services System

109

**SDG 16**

**Promote Peaceful and Inclusive Societies, Provide Access to Justice for All, and Build Effective, Accountable and Inclusive Institutions**

**111**

Financing SDG16: IDA Sub-windows, Public Expenditure Reviews and Reducing Illicit Financial Flows

116

**SDG17**

**Means of Implementation (Capacity Building and Data)**

**119**

Financing SDG17: The World Bank Group Partnership Fund for the SDGs

123

**Annex: Abbreviations**

**124**





# Acknowledgments

This booklet was prepared by a core team from the New York, Washington, D.C., and Geneva offices of the World Bank Group Senior Vice President for the 2030 Agenda, UN Relations and Partnerships. A number of teams across the Bank Group contributed content showcasing their expertise, financing, and leadership towards achieving the SDGs, including: Poverty and Equity; Education; Health, Nutrition and Population; Social Protection and Labor; Agriculture, including the Global Agriculture and Food Security Program; Climate Change; Energy and Extractives; Environment and Natural Resources; Public-Private Partnerships; Social, Urban, Rural and Resilience; Transport and ICT; Water; Gender; Fragility, Conflict and Violence; Jobs; Development Economics; Development Finance; Operations Policy and Country Services; Treasury; IFC; and MIGA. A special thanks to Paul McClure who provided vital editing support.

## ***Disclaimer***

This booklet has not undergone the review accorded to official World Bank Group publications. The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the World Bank Group and its affiliated organizations, or those of the Executive Directors of the World Bank or the governments they represent.

## ***Rights and Permissions***

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank Group encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.





## FOREWORD

# Implementing the 2030 Agenda

Each year the World Bank Group reflects on its efforts in over 170 countries to reach the ambitious Sustainable Development Goals (SDGs). This third edition of *The 2030 Sustainable Development Agenda and the World Bank Group: Closing the SDGs Financing Gap* summarizes our work over the past year on each of the 17 global goals.

The historic 2015 global agreement on the SDGs requires all partners to design and build effective implementation mechanisms down to the local level; collect and analyze data to measure progress and guide evidence-based implementation; and provide adequate and reliable financing to support these efforts and build durable global public goods.

While there are daunting challenges which affect our ability to achieve the SDGs — such as conflict and fragility, economic and climate shocks, humanitarian crises, inequality, and the impact of rapid technological change — there is also reason to celebrate progress on the global goals.

Focusing on the poor and vulnerable through inclusive and accountable service delivery, we now see progress in many areas where the Bank Group is involved in implementation. As detailed in this report, these include water and sanitation, health and pandemics, education and job training, infrastructure, climate change mitigation, and responding to humanitarian crises. We have shown advances in

## CLOSING THE SDGS FINANCING GAP

food security, clean energy, inclusive growth, urban development, pollution control, institution building, and many other areas.

The Bank Group uses innovation and technology to build sustainable economies, and to expand the capacity of people and institutions to thrive in this rapidly evolving environment. Our efforts are helping women participate more fully in their economies, including through the Women Entrepreneurs Finance Initiative (We-Fi), which is expanding women's access to the finance, markets, and networks they need to start and grow their businesses.

We continue to ramp up our output of quality data, which provides meaningful help to policymakers and development practitioners. These efforts include household surveys in dozens of countries; the Data for Policy Initiative, which will help policymakers access and use data; and the SDG Atlas, which visualizes key data on the goals for policymakers and citizens. We are also reporting on progress against our own institutional goals under the Bank Group Poverty and Shared Prosperity report.

Financing for the SDGs received a substantial boost when our shareholders agreed on a \$13 billion capital increase last year. Combined with a

set of policy measures to help scale up public- and private-sector resources, this increase for IBRD and IFC will help us focus on the countries that are most in need. It builds on the record replenishment with donor partners for the current cycle of IDA, our fund for the poorest. We will now have a significantly improved average annual lending capacity through to 2030 — the deadline for the SDGs. This ability will be central to our commitment to scale up private sector finance while preserving scarce public resources for the poorest nations.

To overcome the most pressing global challenges and achieve the SDGs, we must work in concert with other multilateral organizations, governments, the private sector, civil society, foundations, and other stakeholders at the global, national, and subnational levels. The new World Bank Group Partnership Fund for the Sustainable Development Goals, supported by Sweden and Korea, will help us respond to the growing need for strong partnerships and means of implementation for the global goals by funding catalytic initiatives that strengthen implementation to help us reach the SDGs.

To attain the SDGs, we must ensure that we have the capabilities and resources to both overcome

the challenges and grasp the opportunities that lie ahead. Only then, can we create a world that is more prosperous, secure, and just.

**Mahmoud Mohieldin**

*World Bank Group Senior Vice President*

*For the 2030 Development Agenda,*

*UN Relations and Partnership*

 [@wbg2030](https://twitter.com/wbg2030)

 [worldbank.org/sdgs](http://worldbank.org/sdgs)



*With rapid growth, the Government of Mongolia introduced a number of programs to improve the country's education system, especially rural primary education. Murun County, Mongolia.  
Khasar Sandag / World Bank.*





# Introduction

The World Bank Group is working across every sector and region to support countries in implementing the Sustainable Development Goals (SDGs). This document reflects our strategic direction and support we have provided to implementation of the SDGs, particularly through development financing, during the 2018-2019 period. Previous years' contributions to the SDGs can be found through the Bank Group's site for the 2030 Agenda and SDG implementation.

The World Bank Group has set two goals that we are helping the world achieve by 2030: Ending extreme poverty and Promoting shared prosperity. These goals, which are fully consistent with the SDGs, need to be pursued within a socially, economically

and environmentally sustainable framework. We will help achieve them in three ways. First, by promoting sustainable and inclusive economic growth, especially through creating jobs and boosting private investment in infrastructure. Second, by investing in human capital, including childhood development, skills for jobs, and equal opportunities in education, health, and training that can make the biggest differences in countries' ability to grow sustainably over the long term and become economically competitive. And third, by fostering resilience to global shocks and threats: this means ramping up efforts to tackle global challenges that threaten to roll back development



## CLOSING THE SDGS FINANCING GAP

gains, supporting resilience infrastructure, investing in disaster risk preparedness, and supporting the humanitarian-development-peace nexus.

This report highlights the ways that the Bank Group continues to support implementation of the 2030 Agenda and the ambitions embodied in the SDGs. Along with goal-by-goal updates on key areas of work, it reviews financing of the SDGs as a key theme throughout, highlighting the ways in which we are boosting the financial resources for implementing the agenda.

### ***Strategic Direction***

During the Bank Group's 2015 Annual Meetings in Lima, the Development Committee set the tone for our work on implementation of the SDGs in a session entitled "World Bank Group Support for the 2030 Agenda for Sustainable Development." Further, in 2016, the "Forward Look – a Vision for the World Bank Group in 2030" connected the Bank Group's institutional vision to the SDGs agenda while setting priorities for our contributions on the global public goods agenda. The record-breaking replenishment for IDA in its current cycle (IDA18) and the capital increase for IBRD and IFC signaled strong endorsement by shareholders of our critical role and strategy in achieving the 2030 Agenda.

The Bank Group has aligned the SDGs' targets and indicators with our corporate results frameworks, including the Corporate Scorecards and IDA's Results Measurement System (RMS). From July 2017, frameworks have taken the goals into account in the Bank Group's business planning and monitoring, and our annual reporting also aligns to SDG indicators across regions. The Scorecards and RMS are consistent with the SDGs while maintaining the ability to serve specific needs in monitoring our own performance.

The Bank Group has integrated the SDGs into core institutional and strategic processes that inform country engagement through IDA, IBRD, IFC, and MIGA. We have also been working to support attainment of the SDGs through strong partnerships with the UN, such as the United Nations – World Bank Group Strategic Partnership Framework for the 2030 Agenda.

Our organizational structure, composed of Global Practices and Cross-Cutting Solution Areas, matches the 17 SDGs almost one-to-one. It also supports country ownership and focuses on SDG-centered policies and institutions backed by effective leadership. Within this structure, we are working along three key tracks to support the 2030 Agenda: (i) financing, (ii)

data, and (iii) implementation. Previous editions of this report in 2017 and 2018 discussed the Bank Group's contributions through these three tracks; this update will focus on our financing instruments.



**10** REDUCED INEQUALITIES



**14** LIFE BELOW WATER



**17** PARTNERSHIPS FOR THE GOALS



**15** LIFE ON LAND



**THE GLOB**  
For Sustainable



# Financing the 2030 Agenda: 2019 Overview

It has been four years since the SDGs were adopted, and since the World Bank Group and other Multilateral Development Banks embraced the The Addis Ababa Action Agenda on Financing for Development (FfD), committing to help mobilize the financial means to attain the global goals. The rest of this chapter will provide updates on the Bank Group's support for financing the 2030 Agenda, while other core implementation components on data and partnerships for capacity building are explored on pages 127–131 under SDG17.

The financing needed to achieve the 2030 Agenda remains significant. The World Bank's 2019 *Beyond the Gap* report finds that 940 million people live without

electricity, 663 million lack improved sources of drinking water, 2.4 billion lack improved sanitation facilities, and 1 billion live more than 2 kilometers from an all-season road. It also underscores that with the right policy mix, just 4.5 percent investment of GDP in new infrastructure would allow developing countries to achieve their infrastructure-related SDGs and stay on track for limiting climate change to less than 2 degrees Celsius.

Recognizing that the SDGs require several trillion dollars in additional annual spending for meaningful progress, the Bank Group is working to unlock existing, and promote new, sources of financing for sustainable development.

## CLOSING THE SDGS FINANCING GAP

A core component of our own financing for the 2030 Agenda is IDA, which launched its nineteenth three-year funding cycle (IDA19) in Livingstone, Zambia, in November 2018 and in April 2019 in Washington. Participants selected “Ten Years to 2030: Growth, People and Resilience” as the overarching theme for IDA19, reflecting the urgency to accelerate progress towards the SDGs. During the April meeting, participants agreed on a proposed policy package to build on IDA18’s five Special Themes: (i) Jobs and Economic Transformation; (ii) Fragility, Conflict and Violence (FCV); (iii) Climate Change; (iv) Gender and Development; and (v) Governance and Institutions. Building on the momentum of IDA18 (see below), the new cycle will also incorporate four cross-cutting issues on which participants want to see IDA make a deeper impact: (i) debt vulnerabilities, (ii) opportunities from transformative technology, (iii) investing in people, and (iv) inclusion of people with disabilities.

The IDA19 roadmap highlights the challenges between now and 2030. It takes a transformative approach that enables countries to finance productive investments that generate growth, improve people’s well-being and promote their ability to deal with the adverse impacts of climate change, fragility, and crises. This approach is needed to accelerate progress towards the SDGs.

In line with commitments under the Addis Ababa Action Agenda, the Bank Group has taken many steps to facilitate capital for development, underpinned by core strategies and commitments, including:

- ▶ **From Billions to Trillions: Transforming Development Finance (April 2015):** Along with other MDBs, we pledged to use billions in investment funding, aid, and grants to catalyze trillions more in public and private sector finance to achieve the SDGs.
- ▶ **Forward Look: A Vision for the World Bank Group in 2030 (September 2016).** The document defines our priorities for 2030: serving all clients across the income spectrum; leading on global issues such as climate and gender; creating markets through more mobilization of finance; and continuously improving our business model. It also focuses on maximizing finance for development by leveraging the Bank Group as a facilitator of capital and mobilizing private sector investment. Implementation of this vision has been reviewed in line with annual priorities in previous, 2017 and 2018, updates available through the Bank Group’s site for the 2030 Agenda.
- ▶ **The Hamburg Principles agreed at the 2017 G20 leaders meeting:** MDBs are catalyzing development finance and pursuing private-sector solutions,



April 12, 2019 - WASHINGTON DC - 2019 World Bank/IMF Spring Meetings.

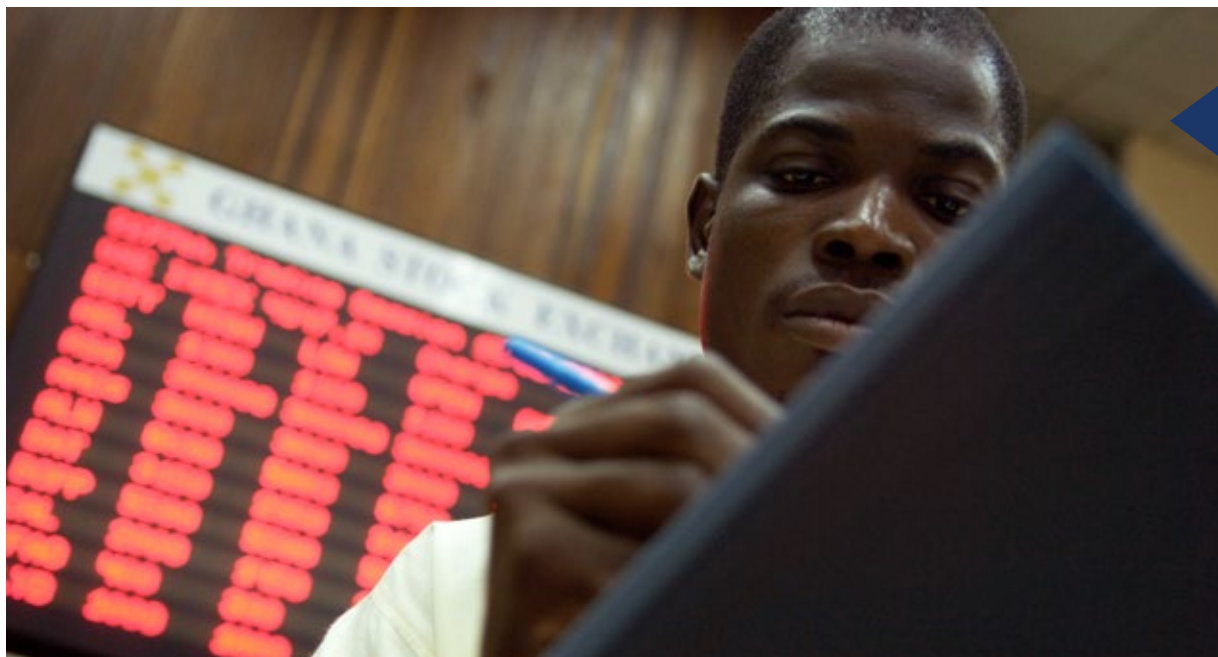
where they can help achieve development goals, while reserving scarce public and concessional forms of finance for where they are needed most.

- ▶ The 2018 capital increase for IBRD and IFC, which signals strong endorsement by shareholders of our critical role and strategy in achieving the 2030 Agenda.
- ▶ Responding to heightened global ambitions and escalating risks, the IDA18 replenishment for 2017 to 2020 introduced a hybrid financing model that

taps IDA's large accumulated equity to raise funds in the capital markets. It increases funding available for IDA countries to \$75 billion from \$52 billion in IDA17, enabling significantly more financing for the poorest countries. The new IDA Private Sector Window also supports creation of markets in low-income countries and fragile and conflict-affected countries.

In addition to these core commitments, the Bank Group has developed strong partnerships in support of the agenda for financing the SDGs. As one of the five major





*Traders work on the floor of the Ghana Stock Exchange in Accra, Ghana, June 15, 2006.  
Jonathan Ernst / World Bank*

institutional stakeholders for the FfD agenda, we have substantively contributed to the UN Inter-Agency Task Force on Financing for Development and its annual publications. During 2019, the Bank Group is also collaborating with the UN on its ECOSOC FfD Forum (April), the 2nd SDG Investment Fair (April); the High Level Political Forum (HLPF held under the auspices of ECOSOC in July, which reviews annual global progress on a subset of goals), the HLPF Summit (held once

every four years under the auspices of the general Assembly in September to provide a high-level review of progress on the 2030 Agenda) and the High-level Dialogue on FfD (September). We also work closely with the MDBs on shared standards for reporting on mobilization of private sector resources, enhanced MDB/DFI principles for blended finance, and a global toolbox of MDB instruments.



Other ways we are supporting financing in line with the key pillars of the Addis Ababa Action Agenda (AAAA) include strengthening domestic resource mobilization, leveraging private sector financing, and promoting innovative financing.

### ***Domestic Resource Mobilization***

The AAAA recommended ramping up DRM as a source of financing for the SDGs. Today, tax revenues in 45 percent of IDA countries and 63 percent of FCV-affected countries do not reach the minimum threshold of 15 percent of GDP that is needed to fund basic state functions.<sup>i</sup>

As of February 2019, the Bank Group has 295 active engagements on DRM across 91 countries, of which 96 are lending operations and 159 are advisory services and analytics. Commitments stand at \$1.6 billion, of which \$662 million relate to development policy financing. Our assistance to countries in addressing this gap is detailed in the box for SDGs 1 (page 33).

Illicit financial flows and the activities that generate them remain a threat to many countries. To help countries identify the sources of illicit funds and

defend against them, the Bank Group developed the National Risk Assessment on Money Laundering and Terrorism Financing tool. As of December 2018, this tool has been delivered to 101 jurisdictions, with many more forthcoming.

In addition, the Bank continues to help countries put in place robust legislative frameworks for anti-money laundering and combatting the financing of terrorism. Through the Stolen Asset Recovery (StAR) initiative (in partnership with the UN Office on Drugs and Crime), we are helping build capacity to investigate and prosecute financial crime and recover the proceeds of corruption from abroad. Participants at the Global Forum on Asset Recovery, hosted by the Bank Group to help target countries recover the proceeds of corruption from financial centers, adopted a set of principles on the responsible and transparent return of stolen assets. Since then, civil society organizations have adopted these principles as the benchmark for stolen asset recovery.

The World Bank Treasury's Debt Management advisory services also help countries and sub-sovereign jurisdictions build capacity to strengthen governance frameworks for public debt management and deepen domestic capital markets.

<sup>i</sup> Based on latest tax-to-GDP from 2016. Statistics are based on IMF's World revenue database and additional information from IMF Article IVs and GFS Central Government data.



### ***The core role of IFC, MIGA and ICSID in mobilizing financing for sustainable development***

**IFC.** Drawing on 60 years of experience in mobilizing private-sector finance, IFC has a strategy to create markets delivering sustainable development impact. Key examples are its syndicated loan program, the oldest and largest of its kind, and its Asset Management Company, which enables institutional investors to make equity investments alongside IFC in developing countries. Another investment platform that mobilizes third-party investors alongside IFC is the Managed Co-Lending Portfolio Program, which creates loan portfolios that mimic segments of IFC's own future portfolio, like an index fund. Eight facilities have been created, raising over \$7 billion; each has been crafted to meet the individual needs of investors, while addressing the business challenges and regulatory hurdles they face.

**MIGA.** Through political risk insurance and credit enhancement products, MIGA has helped drive private capital to key projects in developing countries. As of June 2018, it has supported \$21.2 billion worth of investments, double that of five years ago, to support developmentally sound investments that meet high social and environmental standards. The \$5.2 billion MIGA issued in FY18, which helped finance projects worth \$17.9 billion in developing countries, is a new record for the agency.

**ICSID.** facilitates foreign direct investment by reducing the risks facing foreign investors. This makes international investment more secure and predictable, with investors more likely to invest and expand their operations abroad. To date, 153 states have ratified the ICSID Convention, and ICSID has managed most international investment disputes.

### ***Mobilizing Private Sector Investment***

The SDGs cannot be achieved by 2030 without the private sector, particularly investors with willingness to focus on the medium to long term. Private investment and expertise are critical both to financing and implementing business solutions that help end poverty and reach the SDGs. Through our five institutions—IBRD, IDA,

IFC, MIGA, and ICSID—the Bank Group is helping channel more private investment to developing countries and becoming not just a provider but a facilitator of capital.

We have adopted an approach to pursuing private-sector solutions where they can help achieve development goals, while reserving scarce public

and concessional finance for where they are needed most. We first evaluate and advise clients whether a project is best delivered through sustainable private-sector solutions, with limited public liabilities. If that is not feasible, teams consider whether Bank Group support—to strengthen the investment climate, improve creditworthiness, or mitigate risk—could help. If neither option is viable, then the use of public and concessional finance is encouraged.

After a successful launch in 2017 and a pilot phase, the strategy for mobilizing Financing for Development is being mainstreamed across all institutions of the Bank Group (See table on page 24). World Bank, IFC and MIGA staff are working together on more than a dozen projects in a range of sectors, including infrastructure, agribusiness, finance, energy, the digital economy, water, and education, either to bring in private sector solutions and innovation or to lay the groundwork for it. Activities are prioritized through Bank Group diagnostics and strategy tools that detail the constraints to private sector solutions and targeted interventions at the country level.

In 2018, the Bank Group mobilized \$33 billion, an 18% increase from the year before, in private capital in low- and middle- income countries, in line with the definition of the MDB working group. Also in FY18, 19% of the

World Bank's new project approvals were designed to facilitate sustainable private participation by addressing binding constraints through sectoral, legal and institutional reform, while 15% of IFC's were market-creating.

**World Bank guarantees are helping mobilize commercial financing.** These are used to (i) mitigate key government-related risks to enable financial viability and bankability; (ii) mobilize private investment for strategic projects or sector support; (iii) expand financing options, reduce costs, and improve financing terms for projects and governments; and (iv) ensure the long-term sustainability of projects. As of FY2019, 54 guarantee transactions using \$8.4 billion in IBRD/IDA commitments supported mobilization of \$32 billion of commercial financing plus \$24 billion of public financing.

In addition, at IFC, blended finance instruments provide a financing package comprising concessional funding from development partners, along with commercial funds from IFC's own resources and the private sector. Blended finance helps IFC create markets and move deals forward by (1) mitigating early-entrant costs or project risks, (2) helping rebalance risk-reward profiles for pioneering investments, and (3) crowding-in private sector financing. Between fiscal years 2010 and 2017, IFC deployed more than \$700 million in blended finance, alongside \$2.4 billion of its own funds, and leveraged

## CLOSING THE SDGS FINANCING GAP

around \$4.9 billion from other private sources. IFC relies on a strong governance framework in the use of blended finance, to minimize the risk of market distortion.

### **Reserves Advisory and Management Program**

**(RAMP).** RAMP is the World Bank Treasury's platform for delivering demand-driven capacity building and asset management services to official sector asset managers in developing countries and international institutions.

This work helps central banks, pension funds, and sovereign wealth funds build human capital, strengthen governance and operations, and deliver returns on financial resources consistent with their mandates and risk parameters. Today, RAMP serves 67 institutions across the Bank Group's six regions, including many in low-income countries and fragile and conflict-affected situations. RAMP builds human capital by sharing financial knowledge and developing financial expertise among key leaders and officials whose work contributes to the health of developing countries' public and private sectors. It strengthens countries' financial stability, economic resilience, and socioeconomic well-being by promoting best practices in reserve management at official sector institutions.

### ***Innovative Financing Tools***

The World Bank Group mobilizes private investment for development through the capital markets, developing

customized financial instruments to engage investors. These are often an entry point for investors seeking opportunities to have a positive impact or those integrating environmental, social and governance (ESG) criteria into their investment decisions.

IFC has for many years supported Environmental and Social Review Procedures and the Environmental and Social Performance Standards, which monitor impact and promote decision-making principles that support sustainable development. There are also a range of bonds that the Bank Group has developed, including catastrophe-bonds (explored on page 92); green bonds (explored on page 104) and social bonds (explored on page 87), as well as the following bonds:

- ▶ *World Bank Sustainable Development Bonds.*

Today, the World Bank issues around \$40-50 billion annually to finance sustainable development.

In 2017, this included the first bonds linked to an equity index of companies that promote the SDGs. Increasingly, IBRD issues bonds to raise awareness of specific development challenges. In August 2018, IBRD announced an initiative to promote conservation and sustainable use of fresh and salt water (SDGs 6 and 14) and engage investors on this theme; this has raised \$900 million equity to date. In October 2018, IBRD priced a SEK 2.5

billion 5-year bond to support sustainable cities and communities (SDG 11) in collaboration with Swedish Investors for Sustainable Development. In 2019, investor engagement has included a CAD 1.5 billion bond that raises awareness on health and nutrition of women, children and adolescents (SDGs 3 and 5) and an IDR 500 million bond promoting investments in women's empowerment in rural areas and sustainable agriculture (SDGs 1, 2, and 5). This work parallels other international efforts including the UNCTAD- and UN DESA-coordinated Global Investors for Sustainable Development, a new alliance of chief executives launched in April 2019.

- ▶ *IDA Bonds.* In April 2018, IDA launched its inaugural bond, raising \$1.5 billion from investors around the world and transforming IDA's financing model as part of IDA18. Access to capital markets allows IDA to significantly scale up financing to the poorest countries while supplementing its traditional sources of funding.

Building strong partnerships with investors is critical for strengthening innovative financing mechanisms. For example, the Bank Group, jointly with the Japanese Government Pension Fund, is leading a research program on ESG standards for fixed-income instruments, which typically form a large part of institutional

investors' portfolios. While equity investors are adopting ESG standards more quickly, fixed-income investors are catching up; evidence suggests that incorporating ESG into fixed-income investing can contribute to more stable financial returns. Fixed-income investors have tailored their approaches to integrating ESG considerations – many use indices, while others prefer to invest only in thematic investments (e.g., green bonds, labeled bonds). There is clear need for more standardization in their ESG approaches.

**Leveraging the Bank Group's capital.** Our financial structure and financing capabilities enable us to leverage capital to provide finance in many forms—grants, concessional finance, loans, guarantees, and equity investment. Our non-concessional institutions and windows are funded efficiently by small amounts of paid-in capital, in many cases backed by callable capital. By leveraging these amounts, we can borrow substantial funds in the capital markets at low interest rates, which we pass on to clients as loans to support their development goals.





*Atatti Ayawovi, 56, and Loumonvi Afi, 60, sell charcoal in the streets of Bè-Ablogamé, a rundown neighborhood in the port district of Lomé, the capital of Togo. Stephan Gladieu / World Bank.*



## SDG 1

# No Poverty

There has been marked progress on reducing poverty in recent decades. According to the latest estimates, in 2015, 10 percent of the world's population lived on less than \$1.90 a day, down from nearly 36 percent in 1990. For the first time, the global poverty update also includes preliminary "nowcasts" suggesting that extreme poverty may have dropped to 8.6 percent in 2018.

Despite the tremendous progress in reducing extreme poverty, overall poverty rates remain stubbornly high in low-income countries, particularly in Sub-Saharan Africa, and in those affected by conflict

and political upheaval. The decline in poverty rates has slowed, and based on current trends, the world is not on track to end extreme poverty by 2030.

Estimates suggest that Sub-Saharan Africa will have nearly 9 out of 10 people living in extreme poverty by 2030. Hence the battle against extreme poverty will be won or lost in the region. Growth alone will not be sufficient, and three areas of policy action have emerged:

- ▶ Investing in productive assets of the poor;
- ▶ Creating and increasing access to equitable markets; and
- ▶ Building resilience.



## CLOSING THE SDGS FINANCING GAP

Beyond these, Africa needs a pro-poor policy agenda that emphasizes growth where the poor work and live, and a job market that focuses squarely on the productivity and livelihoods of the poor and vulnerable.

Achieving SDG1 requires quality and timely statistics. In 2015, the World Bank committed to helping the world's poorest countries improve their frequency of data collection to one household survey every three years. There is good progress: between 2015 and 2018, 41 countries in Sub-Saharan Africa had household surveys, while about 34 have a survey planned between 2018 and 2020. The Bank has also been pushing for an overall Data for Policy initiative, which will build on the success with household surveys toward a larger set of core statistics crucial for well-functioning national systems of statistics and evidence-based policy making and monitoring. In addition to household surveys (and population censuses where required), the package will include enterprise surveys (and establishment censuses if required), agricultural data, price data, and administrative records.

In October 2018, the Bank launched its second Poverty and Shared Prosperity report; entitled Piecing Together the Poverty Puzzle, it broadened how poverty is defined and measured in three key

ways. It presented a new measure of societal poverty, integrating the absolute concept of extreme poverty and a notion of relative poverty reflecting differences in needs across countries. It introduced a multi-dimensional poverty measure that is anchored in household consumption and the \$1.90 international poverty line, which also includes information on access to education, health, security, and utilities. And it investigated differences in poverty within households, including by age and gender.

Looking ahead, the Bank is working on further areas and newer challenges to ending extreme poverty. This includes ongoing analysis on the distributional impacts of digital technology, trade, and the private sector on poverty reduction. We are also undertaking Rural Income Diagnostics in five countries to look at the main constraints and opportunities for faster, sustained income growth for poor households in rural areas. The focus is on constraints in the next five years, but consistent with a sustainable, long-term development trajectory of the country.

On monitoring project impacts, the Bank Group has two main tools to improve and measure results in real time – the Survey of Well-being via Instant Frequent Tracking (SWIFT) and Iterative Beneficiary Monitoring (IBM). These tools rely on mobile technology and use



Scavenger in low income neighbourhood. Jakarta, Indonesia.  
Farhana Asnap / World Bank.



*Portrait of child hiding behind grains.  
Ray Witlin / World Bank.*

big and small data to produce information on project results and the consumption and income of project beneficiaries. IBM is mainstreamed into more than 40 operations, including in FCV situations. Similarly, over the past year, SWIFT has continued to play an important role in linking poverty and sector-specific indicators through affordable data collection and analysis. It has been working closely with IFC

to include a socioeconomic measure in over 15 household surveys commissioned by private sector clients. In collaboration with the Global Facility for Disaster Risk Reduction, SWIFT has been collecting data in Haiti and Saint Lucia to understand the impact of natural disasters on poverty; this is part of an umbrella collaboration spanning Latin America and the Caribbean and Sub-Saharan Africa.

## FINANCING SDG1

# Supporting Domestic Resource Mobilization to Reduce Poverty

The Bank Group's twin goals to end poverty and promote shared prosperity inform all core structures of our financing. Grants, lending, operational and advisory services all commit to the goals and thus to SDGs 1 and 10. For example, as referenced on page 23, the Bank is helping countries strengthen domestic resource mobilization (DRM) to support better services for the poor.

The Bank has committed under IDA18 to help at least one-third of IDA countries increase their tax-to-GDP ratio, by broadening and deepening the tax base; working toward fair, equitable, transparent, and accountable systems of taxation; and supporting the implementation of international taxation standards.

The Bank is also working on the development and implementation of the medium-term revenue strategy (MTRS) approach, a country-led, high-level roadmap of tax system reform over 4 to 6 years

that covers policy, administration, and legal components. The Bank is leading on the MTRS pilot in Pakistan; supporting IMF pilots in Indonesia, Uganda, Uzbekistan, and Vietnam; and continuing to promote the approach and support its implementation in countries that meet the conditions to adopt it. Close coordination with the IMF, OECD, and the UN under the Platform for Collaboration on Tax also continues.

Through either lending or advisory services, the Bank Group is helping 26 of the 34 IDA-eligible countries that collect less than 15 percent of GDP, as well as 11 of the 23 IBRD countries that are below the 15 percent threshold. In FCV-affected countries, the Bank supports tax reforms in 13 of the 22 countries with such low tax collections.



*Sifting grain in India.  
Ray Witlin / World Bank.*





## SDG 2

# Zero Hunger

While progress has been made in much of the world, hunger is on the rise again globally after a decade of decline. Although development aid is at record levels, the annual financing shortfall for agriculture was \$11 billion in 2016 at a time of rising hunger.

With a view to contributing to both SDG2 and SDG3, the Bank Group is committed to reducing childhood stunting. In 2019, an estimated 149 million children under 5 suffered from stunting, which compromises brain development, education attainment, and adult earnings. Our investments in nutrition, which can help end stunting, are approaching \$2 billion globally.

In our role as global convener, the Bank Group is a founding member of the Scaling Up Nutrition (SUN) partnership with over 60 member countries and nearly 3,000 civil society partners, donors and foundations. We are a member of the SUN Lead Group, and the chair of its Executive Committee. In 2020, we will help Japan host the Nutrition for Growth global summit in Tokyo, co-convening the summit's financing working group along with the Bill and Melinda Gates Foundation and DfID. We will also release a major analytical report on obesity in 2019 to address the issue of overnutrition as a major contributor to the global burden of non-communicable disease.





*Thoeun harvests corn from her farm. Agriculture is a key sector in Cambodia due to the predominance of the rural population and its contribution to the national economy. Kampong Cham, Cambodia.  
Chhor Sokunthea / World Bank*



## FINANCING SDG2

# Boosting Nutrition and Food Security

Since FY15, the Bank Group's nutrition portfolio has grown steadily; it is now nearly \$4.2 billion. Some 75% of this is from IDA, with over \$1 billion from IBRD, while The Power of Nutrition and the Global Financing Facility (GFF) account for matching grant financing of about \$95 and \$147 million, respectively.

Working with partners such as the *Power of Nutrition and Nutrition International*, our lending is approaching \$2 billion a year. For example, we have adopted an innovative long-term approach to tackling stunting in Madagascar. We have catalyzed private sector financing partnerships on seven IDA nutrition projects in six countries (Cote d'Ivoire, Ethiopia, Madagascar, Nigeria, Rwanda, and Tanzania), with more to follow.

In addition, the Global Agriculture and Food Security Program (GAFSP) - a multi-stakeholder partnership with projects led by governments, the private sector, and civil society organizations - supports resilient and sustainable agriculture to benefit the poor and vulnerable, particularly smallholder farmers.

Hosted at the World Bank, it is a multilateral financing mechanism dedicated to fighting hunger, malnutrition, and poverty in developing countries. Public and private sector funds are channeled through global and regional implementation agencies (AfDB, ADB, FAO, IADB, IFAD, WFP, in addition to the Bank Group) to where they are the most needed, effective, and catalytic. To date, GAFSP has delivered \$1.4 billion through its Public and Private Sector Windows, as well as through its pilot Missing Middle Initiative.

Almost half of GAFSP public sector funds (\$484 million) also have elements that contribute to climate change adaptation and/or mitigation. Public sector funds support nutrition-related activities alongside objectives for creating direct jobs and gender mainstreaming practices, with several projects focusing on women as key beneficiaries. Following an external evaluation, GAFSP is introducing reforms to ensure it is well equipped to scale up its activities and impact toward the goals for 2030.

*A tiny newborn boy lies quietly in the maternity ward of Asacoba health clinic in Bamako, Mali.  
Dominic Chavez/World Bank.*





## SDG 3

# Good Health

The Bank Group addresses SDG3 and contributes to other cross-cutting health and nutrition goals through a strategy that encompasses direct investments in low- and middle-income countries as well as global, regional and country-level analytical work and convening.

We have provided nearly \$15 billion dollars in grants, credits, and loans to 80 countries in support of reforms toward Universal Health Coverage (UHC). UHC is the driver and common thread for all our engagements on SDG 3 with governments, development partners, civil society, the private sector, and other stakeholders to ensure that all people receive quality, affordable care without financial hardship. Half of the world's population lacks access to quality

health services, and every year 100 million people risk being pushed into extreme poverty because of health expenses. Hence moving toward UHC also increases the likelihood of eliminating extreme poverty (SDG 1).

Improving population health outcomes through UHC is also a pillar of our Human Capital Project (HCP), launched at the World Bank-IMF Annual Meetings in Indonesia in October 2018. The goal is to increase global and country-level political commitment and investments in people, including in their health, as a necessity for sustainable and inclusive economic growth. More information on the HCP is in the SDG4 (education) chapter.

## CLOSING THE SDGS FINANCING GAP

In late 2018, the Bank Group co-signed a Global Action Plan (GAP) with 11 other global agencies, to support country-led approaches and investments that accelerate progress towards SDG3 as well as health aspects of other SDGs, especially through cost-effective frontline and primary care services. The Bank Group co-leads the GAP's sustainable financing accelerator, aimed at supporting country efforts to mobilize more resources for health, invest them better, and strengthen health system capacity.

With the World Health Organization, the Bank Group is also co-convenor of UHC2030, a multi-stakeholder platform for global and country-level UHC advocacy. This year it is mobilizing and consolidating diverse stakeholder voices into powerful advocacy messages for the UHC High Level Meeting at the UN General Assembly in September 2019.

Global health security and pandemic preparedness are essential elements of UHC. Strong health systems that provide effective services to all people—especially the most vulnerable—are the only way to ensure protection from major disease outbreaks for the whole population. Under IDA18, the Bank Group committed to help at least 25 IDA countries develop pandemic preparedness plans and strengthen related

governance and institutional arrangements for multi-sectoral emergency preparedness, response, and recovery. To date, 37 IDA countries have already developed, costed, and prioritized these plans, with work underway in at least 14 more.

In June 2019, Japan, during its G20 Presidency, has decided to put sustainable financing of UHC on the agenda for the G20 Finance Ministers and Heads of State. A World Bank *Global UHC Financing Report* will inform these high-level discussions and provide the basis for a forward-looking agenda for the G20 on sustainable health financing.



*A portrait of Dr. Abdoul Gadiri Diallo, at the CMC Flamboyants Health Clinic in Conakry, Guinea.  
Dominic Chavez/World Bank.*



## FINANCING SDG3

# Innovative Health Financing

There are many ways that the Bank Group is focusing on innovative health financing.

In the aftermath of West Africa's devastating 2014-15 Ebola outbreak, which claimed more than 11,000 lives, we established the *Pandemic Emergency Financing Facility (PEF)* to provide early and rapid surge financing that can combat outbreaks before they assume pandemic proportions. Designed with public and private sector partners, it provides a privately financed insurance window that covers all IDA countries against outbreaks that cross borders and reach pandemic proportions. It also has a donor-financed cash window to cover smaller outbreaks or new pathogens. In the past year, the PEF has

paid out twice from the cash window, to support frontline response for the two Ebola outbreaks in the Democratic Republic of Congo (DRC)—ensuring, along with IDA support, that the government and international responder efforts are adequately financed. The PEF will also provide over \$500 million to cover developing countries, including a \$425 million insurance window to mitigate outbreaks of six diseases likely to cause major epidemics. Its approach will be emulated for famine and other crises.

The Bank Group also hosts the *Global Financing Facility (GFF)*, a multi-stakeholder partnership focusing on countries that need to meet the SDG3 targets for women, children, and adolescents' health



and nutrition. It recently raised more than \$1 billion in contributions toward expansion to as many as 50 countries with the greatest need. As a flagship platform for innovative health financing, it is maximizing countries' human capital investments by catalyzing \$7 in IDA investments for each \$1 of GFF grant funding. In countries like Cameroon, the DRC, Nigeria and Tanzania, it is catalyzing greater domestic resource mobilization and better results.

The World Bank's multisectoral *Global Tobacco Control Program* has helped over 20 countries design and enact tobacco tax reforms in partnership with the WHO, the European Union, Campaign for Tobacco Free Kids, Bloomberg Philanthropies, and the Bill and

Melinda Gates Foundation. Its 2019 global report, *Confronting Illicit Tobacco Trade: A Global Review of Country Experiences*, provides country evidence that raising tobacco taxes does not increase illicit trade but offers a win-win both for public health and domestic resource mobilization.

The Bank Group's *Fourth Annual Health Financing Forum* at the 2019 Spring Meetings also focused on the innovations in health financing that are needed to drastically scale up domestic resource mobilization, effective service coverage, and efficiency of health investments.

Children work in their classroom  
in El Renacimiento school, in Villa  
Nueva, Guatemala.  
Maria Fleischmann / World Bank.





## SDG 4

# Quality Education

The World Bank Group is committed to helping countries develop and improve their education systems and find the best routes to delivering learning for all by 2030. Along with partners, the Bank Group helped draft and is a signatory to the Education 2030 Framework for Action, which guides countries in implementing SDG 4.

With operations in over 80 countries, we are the largest financier of education in the developing world. We are helping countries reach SDG 4 by applying a systemic approach to creating and enhancing systems that deliver learning for children, young adults, and those who need skills in adulthood. We are moving away from financing inputs to financing

system reforms whose elements center on providing a fulfilling education experience, assuring that learners are equipped for success, making teachers effective at all levels, putting the right learning technology in place, ensuring that schools are safe and inclusive learning spaces, and strengthening leadership and management of schools and systems.

The Bank Group continues to invest in developing global public goods such as the new Global Education Policy Dashboard, which will generate and report information on a comprehensive but focused set of indicators, offering countries guidance on where to act and enabling them to monitor short- to medium-term progress. Another example is EdStats, which offers





*A teacher in rural Nepal points to letters as she teaches her class how to read the English alphabet.  
Aisha Faquir/World Bank.*

comparative data and knowledge to inform better education policies and institutions. We are working with countries on their data systems so that they can apply metrics to measure, track, and ultimately improve their education systems. We are also collaborating with the UNESCO Institute of Statistics on data for learning and education financing.

The Bank currently finances nearly 150 education projects ranging from early childhood development, basic education, secondary education, and skills development to tertiary education, all in support of achieving SDG4. These projects total over \$15 billion, two-thirds from IDA funds for the world's poorest countries and one-third from IBRD middle-income countries.

## FINANCING SDG4

# The Human Capital Project

The World Bank Group's Human Capital Project is a global effort to accelerate the accumulation of human capital by encouraging more effective policies and investments. Measured as the value of earnings over a person's lifetime, human capital is the most important component of wealth globally and is increasing in most low- and middle-income countries.

The project will help countries strengthen their human capital and improve ways of measuring it. It places emphasis on helping countries across Sub-Saharan Africa meet their human capital goals, investing in their future prosperity and the region's full participation in global markets.

Recognizing that quality education is interdependent with other sectors and various SDGs, the project includes the Human Capital Index, which focuses on how human capital contributes to the productivity of the next generation of a country's workers. It measures

a country's performance on the building blocks of an economy. This includes components closely linked to quality education (SDG4) as well as good health and well-being (SDG3), and zero hunger (SDG2).

The project and index will help countries tackle the worst barriers to human capital development, using a "whole of government" approach. It aims to help country-owned action plans and promotes shared learning. Progress on the ground requires political leadership in expanding investment in education and other social services, introducing reforms and innovation to improve service delivery, committing to equity and inclusiveness, and addressing gender issues.

Work is underway with over 60 countries and will extend to more in the coming months. In addition, key Human Capital Champions—world leaders, thought leaders, celebrities, and others—have signed on to advocate for investments in the next generation.









## SDG 5

# Gender Equality

Countries across the globe have made progress in closing gaps between men and women, and between boys and girls. Yet gender inequality persists, especially in economic opportunities. Closing the gaps is central to achieving the Sustainable Development Goals by 2030, and SDG5 presents a roadmap in areas such as building human capital, promoting women's empowerment through better use of technology, ensuring access to ownership and control over assets, promoting equal opportunities for leadership, and eliminating violence against women and girls. In addition, the Bank Group's Gender Strategy focuses on removing removing constraints to more and better jobs, such as providing services for care and safe

transport. Working with public and private sector clients and partners, we have expanded our ambitions at both the country and corporate levels.

Helping countries improve women's access to economic resources includes expanding access to finance, technology and insurance services. According to Global Findex data, while 72 percent of men have a bank account, the same can be said for only 65 percent of women. We are helping financial institution address this gap by providing better financial services and partnering with insurance companies to design new products that meet the needs of women.

## CLOSING THE SDGS FINANCING GAP

The Bank Group is also helping enhance use of technology to promote women's economic empowerment and entrepreneurship. The Digital2Equal Initiative helps leading technology companies boost opportunities for women in emerging markets. The IFC report, *Driving Toward Equality: Women, Ride-Hailing, and the Sharing Economy*, uses data from Uber and survey results to better understand how ride-hailing can increase women's mobility and offer a new avenue for more labor force participation.

In addition, our project operations increasingly seek to address occupational sex segregation, which contributes to the pay gap between men and women. In sectors like transport, water, energy and extractives, and digital development, Bank Group projects are providing career opportunities for women to take up more technical and managerial roles, while inspiring girls and women to enter science, technology, engineering, and mathematics (STEM) careers.

The Bank supports more than \$300 million in development projects aimed at addressing gender-based violence in operations we finance. A new Good Practice Note has been developed to help staff and partners identify and mitigate the risks of sexual exploitation, abuse, and harassment in projects with major civil works contracts. This adds to existing

resources, including the *Violence Against Women and Girls Resource Guide*. Rigorous analysis and data underpin our work. Examples include:

- ▶ *Women, Business and the Law 2019 – A Decade of Reform* introduces a new index structured around the economic decisions women make as they go through different stages of their working lives.
- ▶ *Unrealized Potential: The High Costs of Gender Inequality* found that if women had the same lifetime earnings as men, global wealth could increase by \$160 trillion in 141 countries studied.
- ▶ Barriers to girls completing 12 years of education cost countries between \$15 trillion and \$30 trillion dollars in lost lifetime productivity and earnings, according to *Missed Opportunities: The High Cost of Not Educating Girls*.
- ▶ Regional Gender Innovation Labs are helping design, launch and oversee impact evaluations of new interventions

A strong commitment to capacity building and knowledge sharing is also reflected in the SDGs&Her initiative, an online competition that encourages women entrepreneurs to showcase how their business operations support SDG implementation.

## FINANCING SDG5

# The Women Entrepreneurs Finance Initiative

For women across developing countries, entrepreneurship is a key tool for economic empowerment. When women are empowered, they are able to build better futures for themselves, their families, and their communities.

The Women Entrepreneurs Finance Initiative (We-Fi), established in 2017, aims to mobilize billions of dollars to help women entrepreneurs in developing countries gain access to finance, markets and networks they need to start and grow a business, while also addressing policy, legal and regulatory barriers.

With funding of over \$350 million from 14 gov-

\$249 million for programs and projects, which are expected to mobilize an additional \$2.6 billion in financial support from commercial and other sources. This will help women-owned SMEs across developing countries take their businesses to the next level and create new jobs. With its first two rounds of funding, We-Fi aims to reach 115,000 women entrepreneurs.

At the corporate level, the Bank Group is committed to double its corporate spend with women-owned businesses by 2023.



*Turning on the faucet in Bella Vista, Las Lomas, province of Coclé, Panama.  
Gerardo Pesantez / World Bank.*



## SDG 6

# Clean Water and Sanitation

Water touches nearly every aspect of development. It drives economic growth, supports healthy ecosystems, and is essential to food and energy production. Driven by the vision of a “Water-Secure World for All,” related commitments from IBRD and IDA stand at \$37.8 billion. In 2018, through our efforts, 15.7 million people gained access to improved water sources, 11.5 million people accessed improved sanitation, and 3.7 million people benefited from flood and drought mitigation.

The World Bank advocates for sanitation in several ways. This includes operational interventions across the world, South-South learning, urban projects on inclusive sanitation, and cross-sectoral programs at

the intersection of nutritional concerns and water and sanitation safety. Efforts include, for example, research on how proper sanitation reduces infant mortality and child stunting. We are also helping raise the profile of water and sanitation in international forums. For example, at the Reinvented Toilet Expo in November 2018, the Bank Group and the Bill and Melinda Gates Foundation committed to at least \$1 billion in investments that will promote innovation and speed up access to sanitation for all.

Realizing SDG6 demands a strong emphasis on inclusion. The World Bank is deepening work on social inclusion in water through knowledge generation, country engagements, learning, and partnerships.



For example, our *Guidance Note - Including Persons with Disabilities in Water Sector Operations* outlines challenges that people with disabilities face in accessing water resources and offers recommendations to support them in systematic and sustainable ways. *Achieving Sustainable Outcomes for Indigenous People* examines a core focus of water supply and sanitation services in Latin America and the Caribbean. Project results stories from *Lao PDR, Cambodia, and India* shed light on good practices in gender-sensitive project design and effective engagement with beneficiaries.

The needs, and costs, for achieving water-related targets and indicators are large. For example, the baseline water stress assessment (6.4.2) finds that 2 billion people around the world are affected by water stress, a figure that is projected to rise. Trend analysis for the last 20 years shows that water stress has increased in most countries, more than doubling in 26 of them.

It is a daunting challenge to reverse these trends and meet the SDG target for reducing the number of people facing water scarcity. The World Bank's efforts include:

- ▶ Collaboration with the World Water Quality Assessment led by the UN Global Environment

Monitoring Unit (GEMI) on a global analysis of water quality status and trends to inform action on SDG 6.3.

- ▶ Participation in the GEMI working group for SDG 6.4, including inputs into the recent FAO guidelines for incorporating environmental flows into water stress indicators 6.4.2.
- ▶ Collaboration with the Australian government on an e-book for water accounting to inform water resource assessments that evaluate progress on SDG 6.4, in support of the World Water Data Initiative of the High Level Panel on Water.

A High-Level Panel on Water (HLPW)—with 11 sitting heads of state and government and one special advisor—was co-convened by the UN Secretary-General and the Bank Group President to champion a comprehensive, inclusive, and collaborative way of developing and managing water resources and improving water and sanitation services. Our Water Global Practice served as joint secretariat of the panel, with support including substantive contributions to some of the panel's key initiatives such as Valuing Water, the World Water Data Initiative, and the Innovation Engine and Finance.

The International Decade for Action, Water for Sustainable Development, was initiated by the HLPW as one of the vehicles to achieve SDG 6. It began in March 2018 on World Water Day and calls for all to join in valuing water, taking action to address water challenges within this decade, and using the initiative as a platform for policy dialogue, exchange of best practices, and partnerships to address water issues at all levels.

In our operations, the Bank Group is committed to aligning the monitoring of results with ongoing discussion on water-related SDG indicators. As part of Global Water Security and Sanitation Partnership (GWSP) reporting, the Bank has committed to reporting on the portfolio shifts in priority themes for achieving the SDGs: sustainability, inclusion, institutions, financing, and resilience. We are also committed to strengthening the results indicators in our lending operations to go beyond access alone by also tracking service delivery outcomes (such as use, adequacy, reliability, quality, and affordability), as well as service provision to the poor.

The Bank is working with UNICEF and WHO to align data collection with the definitions for indicators 6.1 on drinking water and 6.2 on sanitation and hygiene.

This year the Bank became a member of the WHO/ UNICEF Joint Monitoring Program for Water Supply, Sanitation and Hygiene (JMP) and the UN-Water Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) Strategic Advisory Group. The advisory group, with up to 12 members, provides independent advice to help JMP and GLAAS develop and implement strategies to achieve their objectives.

The World Bank was part of the task force of the UN-Water 2018 SDG 6 Synthesis Report on Water and Sanitation and a contributor to the UN World Water Development Report 2019, *Leaving No One Behind*.

## FINANCING SDG6

# Combining Public and Private Resources to Close Financing Gaps

It has never been more important to make the most of water resources, by sustaining them, delivering services, and building resilience. SDGs 6.1 and 6.2 alone are expected to cost \$1.7 trillion globally by 2030, an amount that can only be met with more coherent financing strategies that combine public and private sources.

That is why the Bank is helping client countries more effectively use public finance, leverage additional resources, and blend public or donors' funds with commercial finance. With our development partners, we have launched the Global Water Security and Sanitation Partnership, which aims to invest up to \$200 million over five years in low- and

middle-income countries. Backed by a lending portfolio of \$31 billion, it serves as a think tank to bolster sustainable project outcomes by investing in innovation and intellectual leadership.

In Iraq, the World Bank and IFC worked closely with the government to design a \$210 million investment in Baghdad's water and sewerage. GWSP funds were used to define a roadmap for improving commercial performance, creating the enabling environment, and strengthening local capacity for private sector participation. In Indonesia, GWSP supported development of a smart sanitation financing platform that identifies needy households and tracks the use of public funds.

Finance is critical for countries facing challenges of water and fragility. GWSP co-funded a financial analysis that demonstrated how small commercial improvements and better collections can increase revenues for the Hargeisa Water Agency in the autonomous region of Somaliland. GWSP is helping a domestic lender, Dahabshil Bank, assess the risks and benefits of backing such investments. In addition, 550 clients and staff have been trained on water finance and creditworthiness in 20 countries.

The 2030 Water Resources Group—a coalition of public, private, and civil society actors—is supporting partnerships between governments and the private sector, innovative demonstration projects,

and financing mechanisms to maximize non-public sources of funding, large-scale sector programs, and policy reform.



*Kabul Afghanistan: Mirwais Zamkaniwal, 27  
years old, Northwest Kabul Breshna Sub  
Station Manager, on site.  
Graham Crouch / World Bank.*





## SDG 7

# Affordable and Clean Energy

Today, about 1 billion people still live without electricity. Hundreds of millions more live with insufficient or unreliable power, while about 3 billion heat their homes or cook with polluting fuels like wood or biomass. The Bank Group is committed to helping countries deliver modern, reliable, sustainable, and affordable energy for all. This support includes technical and policy advice, direct financing, risk mitigation measures and guarantees, support for regulatory reform, and improvements in energy security.

The gaps are daunting, but there is progress on many fronts. The global energy landscape is seeing a major transformation, with renewable energy playing an increasingly vital role in helping countries develop

modern, secure energy systems. Sharply lower costs for clean energy are speeding this transition, while disruptive technologies like smart grids, smart meters, and geospatial data systems have transformed energy planning.

The World Bank is ramping up support for access to affordable energy. The work takes many forms:

- ▶ In Nigeria, a new \$350 million World Bank electrification project will help bring power to 500,000 households, 70,000 small businesses, 37 universities, and 12 teaching hospitals. Mini-grids will be the primary channel to deliver electricity in rural areas.

## CLOSING THE SDGS FINANCING GAP

The Bank worked with Nigeria's Rural Electrification Agency to use geospatial technology to map more than 250 sites for mini-grid development.

- ▶ In Haiti, the World Bank is enabling private sector investments by helping build a more business-friendly policy and regulatory environment. The Modern Energy Services for All project is expected to leverage at least \$48 million from the private sector. The Renewable Energy for All project has identified strong potential for investments in small and medium-sized grids, municipal village grids, and individual off-grid systems.
- ▶ The World Bank is supporting India with two major energy initiatives, one to increase solar generation to 100 GW by 2022 with \$1 billion in lending, the other to scale up energy efficiency on a national level. The 750 MW Rewa Ultra Mega Solar Ltd. Project has doubled solar capacity in the state of Madhya Pradesh with one of the world's largest single-site solar plants. The India Energy Efficiency Scale-Up Program, with a \$220 million IBRD loan and a first-ever \$80 million IBRD guarantee, underscores a growing partnership to help India tackle its huge energy efficiency challenge. Between April 2017 and August 2018, it deployed

nearly 80 million LED bulbs and tube lights, 1.3 million energy-efficient fans, and over 2.4 million LED street lights.

The World Bank's Energy Sector Management Assistance Program (ESMAP) conducts research on the baseline metrics for SDG7. Its report, *Tracking SDG7: Progress Toward Sustainable Energy*, is updated annually with country-level progress on the 2030 sustainable energy goals. *Regulatory Indicators for Sustainable Energy* provides a country-level snapshot of policies and regulations in the sector with respect to SDG7 goals. The Multi-Tier Framework provides a new metric for assessing and measuring the quality of household access to energy and for capturing the full range of grid and off-grid solutions that are being piloted in 14 countries. ESMAP also supports new technologies in battery storage and floating solar. A 2018 Bank report estimates the global potential of floating solar at 400 gigawatts, under conservative assumptions on surface use of artificial water bodies; this is roughly the total capacity of all solar photovoltaic installations worldwide at the end of 2017.

The area lagging most among SDG7 targets is clean cooking. With ESMAP support, the Bank



*Solar panels and telephones in Qunu in the Eastern Cape of South Africa.  
Trevor Samson / World Bank*

manages a portfolio of more than \$350 million in 14 countries including Bangladesh, China, Ethiopia, Kenya, Kyrgyzstan, Mongolia, Senegal, and Uganda.

These programs have helped 11 million people gain access to cleaner, more efficient cooking and heating solutions.

Another strategic partnership the Bank has introduced and supported is the Global Gas Flaring



*Wind turbine farm in Tunisia.*

*Dana Smillie / World Bank*

Reduction Partnership. Flaring wastes enough gas around the world each year to power the entire African continent. Launched in 2015 by the Bank Group President and UN Secretary General, the Zero Routine Flaring by 2030 initiative now includes 83

governments, oil companies, and development institutions that have committed to avoid routinely flaring gas in any new oil field and to end all flaring at existing fields by 2030.

## FINANCING SDG7

# IBRD Guarantees, IDA Credits, and ESMAP

The World Bank provides critical financing for renewable energy in low- and middle-income countries. Over the last five years (FY14-18), we directly contributed to providing new electricity connections for more than 52 million people. During that time, the Bank committed \$5 billion to energy access programs on average, financing 25% of all solar mini-grid projects in developing countries. With a portfolio totaling \$11.5 billion, we are one of the largest providers of finance for renewable energy and energy efficiency projects in developing and middle-income countries.

IBRD guarantees help mobilize further investment. For example, two guarantees totaling \$730 million are helping establish RenovAr, a program mobilizing \$5.5 billion in investments in Argentina's renewable energy sector. It is expected to lower GHG emissions substantially over 20 years, reducing air pollution and fossil fuel use while supporting a more secure energy

supply. Renewable energy auctions supported by the guarantees are bringing in private investors at competitive prices for renewable energy (about \$0.04 to \$0.06 per kWh). This is lower than the average cost of electricity generation (about \$0.07/kWh in 2015) and decreasing with each round.

Thanks to a \$400 million IDA credit in Myanmar, 215,000 households and over 8,000 clinics, schools, and religious buildings have been electrified through off-grid renewable electricity.

In 2018, ESMAP announced \$1 billion for a new global program to accelerate investments in battery storage for energy systems in low- and middle-income countries, which can play a key role in decarbonizing power systems by storing wind and solar energy. This will attract another \$4 billion in public and private financing.



*A vendor arranges the products in  
her storefront in Hanoi, Vietnam.  
Simone D. McCourtie / World Bank.*





## SDG 8

# Inclusive Growth, Full and Productive Employment, and Decent Work

The World Bank Group fosters jobs and inclusive growth by leveraging finance and analytics to support robust and sustainable growth amid economic transformation. The need for more and better jobs remains a top development priority and is at the heart of the inclusive growth agenda. Jobs are not only a source of income, but also provide a direct pathway out of poverty, help build human capital, and strengthen social cohesion. More than 50 million jobs will be needed each year simply to meet the growing number of young people who are reaching working age.

Providing good jobs for youth not only avoids squandering the demographic dividend, but reduces social risks that could contribute to fragility and large-scale

migration as people seek better opportunities. Hence the Bank Group is helping establish an environment for private investment in job-creating activities in the formal sector. We also support entrepreneurs, self-employed workers, and informal SMEs, with a focus on women and youth. We aim to raise their productivity and earnings and reduce vulnerability, through better access to finance and markets, capacity building, reforms in the business enabling environment, and social insurance.

Our knowledge products and diagnostics support inclusive job creation and economic transformation.

## CLOSING THE SDGS FINANCING GAP

This year, for example, the World Development Report 2019 focused on *The Changing Nature of Work*. Other flagship reports have included:

- ▶ *Trouble in the Making? The Future of Manufacturing-Led Development*
- ▶ *Moving for Prosperity: Global Migration and Labor Markets*
- ▶ *High-Growth Firms: Facts, Fiction, and Policy Options for Emerging Economies*
- ▶ *Digital Jobs for Young Women*

We have supported various diagnostic tools, including:

- i. Jobs Diagnostics, an analytical tool to help countries identify key jobs challenges at the macro, firm, and household levels. These have been rolled out in 35 countries, including fragile and conflict-affected states (FCS).
- ii. Country Private Sector Diagnostics, a joint product of IFC and the World Bank, which identifies opportunities and constraints for private sector investment, with a focus on sectors that support inclusive, diversified development.

- iii. Jobs program operational tools to guide good practice project design. These include a toolkit supporting a new generation of integrated demand and supply-side youth employment interventions and a technical guide on designing and implementing graduation-type economic inclusion programs.
- iv. Jobs Platforms, which link global knowledge and tools on the jobs agenda to country-level portfolios, with pilots launched in Bangladesh, Bhutan, and Nepal during 2018.

Other tools that we have supported focus on the integration of technology, innovation, and jobs. These include: i) Public Expenditure Reviews for Science, Technology, and Innovation, which comprise an integrated and holistic evaluation of business support policies that seek to enhance innovation and boost firm growth and competitiveness, which is critical to create the demand for labor; and ii) The Instrument Guide to Support Business Innovation, which provides practical guidelines on a range of policy instruments to boost technology adoption and innovation, based on the stage of development of firms' innovation capabilities and government capacity for implementation.

The Bank Group has also launched a corporate indicator measuring the reach of operations targeting

jobs. This is being supported with tools and guidance at the project level, including through the launch of the *Jobs M&E Toolkit*. In parallel, in 2018 IFC launched its Anticipated Impact Measurement and Monitoring (AIMM) system to better track the expected development impact of its investments. This is directly linked to the SDGs and includes assessment of job creation and inclusiveness.

The Bank Group's Competitive Policy Evaluation Lab, an umbrella impact evaluation program, pushes the knowledge frontier, builds capacity, and improves the quality of projects and country programs that improve the productivity and growth of private sector firms. Its themes include (a) targeting firms with high-growth potential, (b) connecting businesses to markets, (c) improving regulatory efficiency to benefit firms, (d) technology adoption, and (e) improving SME finance.

Close relationships with development partners are fundamental to our work on jobs. Examples include Solutions for Youth Employment (S4YE), a global coalition of stakeholders from the private sector, public institutions, and civil society, which focuses on piloting innovative, integrated initiatives. Participants include UNICEF's UPSHIFT program in Kosovo, Mastercard Foundation's U-LEARN program

in Uganda, and DFID's Kuza project in Kenya. At the 2019 World Economic Forum at Davos, S4YE announced a new partnership with 20 large private sector organizations including Nestle, SAP, Facebook, Microsoft, Starbucks and others.

Other jobs activities include: i) the Partnership for Economic Inclusion, a Bank Group-hosted multi-stakeholder initiative to massively scale up household interventions that increase earning opportunities for extremely poor and vulnerable people; ii) the Global Knowledge Partnership on Migration and Development (KNOMAD), which has custodianship of three SDG migration-related indicators and provides evidence on how to maximize migration's stimulus to development and minimize its negative impacts; and iii) the Women Entrepreneurs Finance Initiative, described under SDG 5.

## FINANCING SDG8

# Employment, Decent Work, and Investing in Capital Markets

Over the past decade, the Bank Group has committed more than \$100 billion to support private sector development and economic transformation in the world's poorest countries, with an increasing emphasis on job creation and economic transformation. Investments in 2018 in the finance, industry, and trade sectors were nearly double the level three years earlier. Last year, one-third of all World Bank investments in the poorest countries had an explicit focus on jobs, with projects reaching 9 million new beneficiaries. Some examples:

One example is the Niger Youth Employment and Productive Inclusion project, which aims to expand income-generating activities for vulnerable youth by

tackling binding constraints to productive employment. One component focuses on poor rural areas; a second focuses on semi-urban areas and non-farm activities linked to agricultural value chains. Eligible youth receive specialized technical training and benefit from activities promoting financial inclusion, skills training, and a start-up grant.

Capital markets also contribute to a thriving private sector, the main driver of jobs and growth. Developing them involves many moving parts in both the public and private sectors.

Countries that develop and deepen their capital markets build more resilient financial systems that



are better able to mobilize savings and connect them to investments with greater potential. Capital markets that are liquid and well-regulated do better at providing the longer-term financing and risk capital that are indispensable for resilient and sustainable economic growth. By connecting local issuers to a broader base of investors, they improve funding for vital transport, energy, and housing infrastructure.

The Joint Capital Markets Program is a collaborative among IFC's Financial Institutions Group, the World Bank's Finance and Markets Global Practice, and each institution's Treasury. The objective of J-Cap is to support tailored development of local capital markets – with an emphasis on local debt

and equity markets – and to increase private sector engagement in infrastructure, housing, and real sector financing, thus enabling development of new markets. J-CAP also broadens investment opportunities for pension funds, life insurance companies, and institutions managing social safety-net funds in emerging markets. It is being piloted in Argentina, Bangladesh, Indonesia, Kenya, Morocco, Peru, South Africa, Vietnam, and the West African Economic and Monetary Union Countries.

*Men carrying railroad track in Madagascar.  
Yosef Hadar / World Bank*





## SDG 9

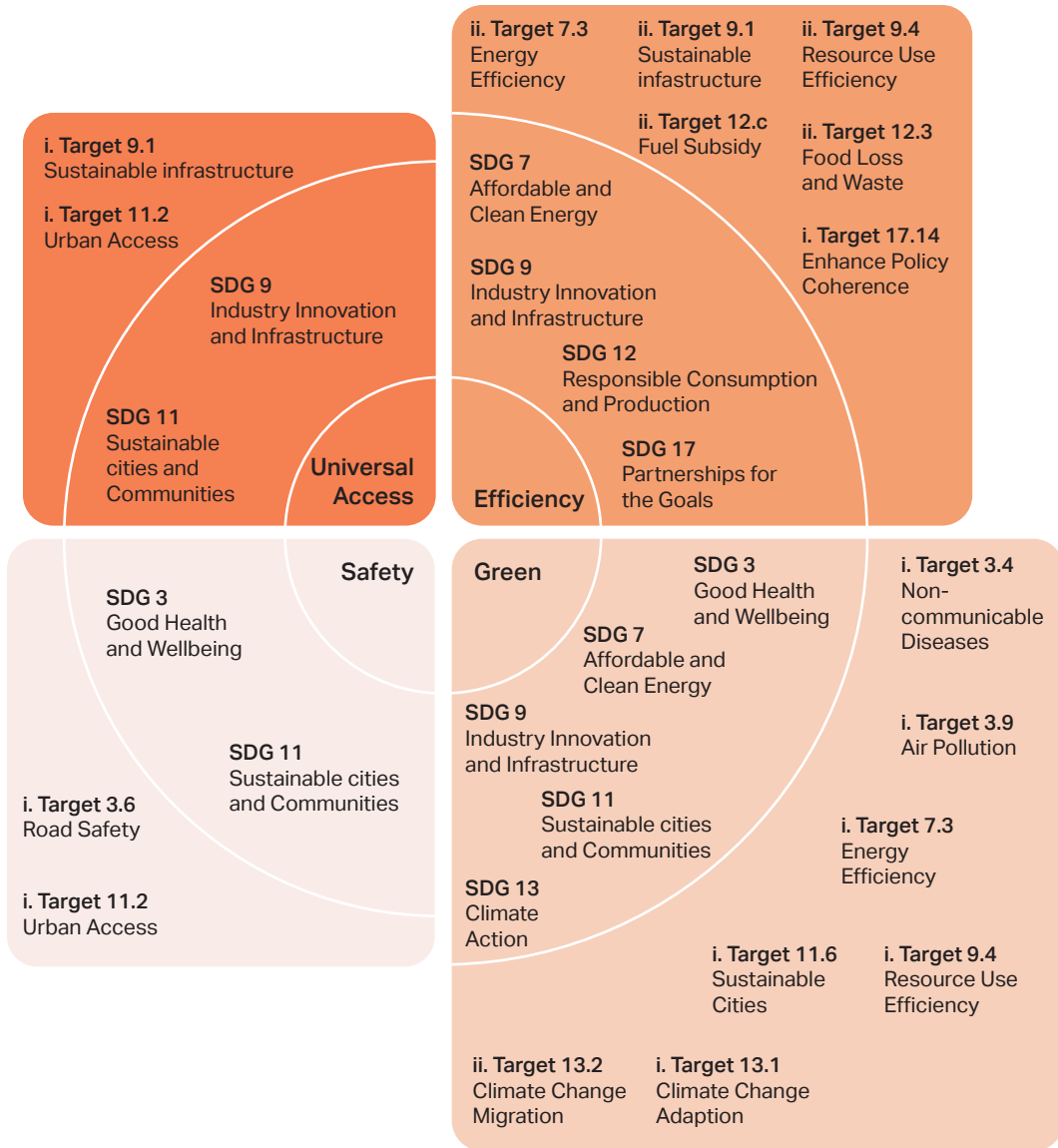
# Industry, Innovation, and Infrastructure

The world is transforming rapidly, changing how people and goods travel within and across cities, countries, and regions. By 2030, annual passenger traffic is set to increase by 50 percent and global freight volumes by 70 percent. By 2050, an estimated 1.2 billion more cars will be on the road. With half the world's population entering the middle class, lifestyle and mobility expectations are rising fast. Communities worldwide that are coping with the effects of climate change, recovering from natural disasters, or experiencing famine, environmental degradation, or war also see access to transportation as a lifeline. Sustainable mobility and transportation systems are critically intertwined with industry, innovation and infrastructure.

The social costs of today's mobility systems are simply too high, with gross inequality of opportunity for remote rural communities and low-income urban areas. Road traffic deaths increased in 104 countries between 2013 and 2016, reaching 1.35 million in 2016. Meanwhile intensive fossil fuel use, high emissions of greenhouse gases, and increases in air and noise pollution also signal an unsustainable path at the expense of future generations. If we can meet the growing demand for mobility in a sustainable way, we can improve the health, environment, and overall quality of life for billions of people.

Sustainable Mobility for All (SuM4All) was established in 2016 at the Climate Action Summit with support

CLOSING THE SDGS FINANCING GAP





from former UN Secretary General Ban Ki-Moon. Partners committed to an inclusive and voluntary process for working together to transform the mobility system with four policy goals: universal access, efficiency, safety and green mobility.

Within two years, SuM4All has brought a diverse and influential group of 55 leading organizations to the table. It has created a space to discuss and agree on a common way forward. Work includes efforts to raise the voice and profile of transport as a sector with solutions to many global issues; broader discussions on GHG emissions and fossil-dependent transport; structured policy guidance to achieve the four goals alongside the private sector; and focused efforts to implement road speed and safety in several major cities (Fortaleza, Sao Paulo, Addis Ababa, and Bangkok) as well as country-wide efforts in China, India, and Kazakhstan.

In addition, the Bank Group is helping accelerate project preparation. We have developed several approaches to speed up infrastructure projects and make them bankable and market-ready, while meeting the requirements and demands of governments, investors, and service users:

- ▶ The Global Infrastructure Facility supports project/investment program preparation with private sector participation.
- ▶ The Public Private Infrastructure Advisory Facility (PPIAF) strengthens the policy, regulatory, and institutional underpinnings of private sector investment in infrastructure in developing countries.
- ▶ IFC's Scaling Solar provides a one-stop shop for solar power projects.

Knowledge and data platforms for investors can help address a lack of information at project and country levels, which constrains investment. Bank Group platforms and publications in this area include the PPP Investment Database, the Doing Business report, and the *Procuring Infrastructure Public-Private Partnerships report*.

## FINANCING SDG9

# Strengthening PPPs and Creating Markets for Financing Industry, Innovation, and Infrastructure

There are many ways the Bank Group is supporting industry, innovation, and infrastructure. We help shape national, regional and global policy dialogue on infrastructure finance and development, including through public-private partnerships (PPPs). We help countries design and deliver sustainable, resilient and efficient infrastructure projects and programs. We strengthen the viability of infrastructure investments, including through guidance on funding and financing mechanisms, help in building capacity, and advisory services on legal, regulatory, and institutional reforms.

The *2019 Beyond the Gap* report finds that just a 4.5 percent investment of GDP toward new infrastructure

will allow developing countries to achieve their infrastructure-related SDGs and stay on track to limit climate change to less than 2 degrees Celsius. It shifts the focus from spending more on infrastructure, to spending *better*, using specific objectives and metrics with scenario-based approaches to demonstrate how much countries need to spend. It underscores that spending should include policies that address long-term climate goals to avoid expensive stranded assets later. This includes investment in renewable energy, combining transport with land-use planning, developing railway systems attractive to freight, and deploying decentralized technologies in rural areas, such as mini-grids for electricity.



*A mom comforts her daughter after she received vaccinations at the Princess Christian Maternity Hospital in Sierra Leone. Dominic Chavez/World Bank.*





## SDG 10

# Reduce Inequality Within and Among Countries

As part of our shared prosperity goal, the World Bank Group pursues a large body of analytical work on inequality, in line with SDG10. While there are multiple paths to reducing inequality, there are common lessons from successful countries and several interventions that are proven to help. Countries under widely different circumstances have demonstrated that a combination of good policy choices – sound macroeconomic foundations, sustaining growth, and strong labor markets – have contributed to progress in reducing inequality.

Six policy areas have proved effective, requiring few trade-offs between equity and efficiency while working well in varied settings around the world.

Researchers have found compelling evidence for i) early childhood development and nutrition interventions; ii) universal health coverage; iii) universal access to quality education; iv) cash transfers to poor families; v) rural infrastructure — especially roads and electrification; and vi) progressive taxation. The Bank Group is working closely with governments across our programs to foster more equitable and inclusive societies. Our tools supporting shared prosperity include Systematic Country Diagnoses, the use of empirical data and social impact analysis (PSIA), and our Human Opportunity Index to measure gaps in access to basic services.



## CLOSING THE SDGS FINANCING GAP

The latest update on shared prosperity finds a mixed picture. In 70 of 91 countries studied, the bottom 40 percent of the income distribution experienced positive income growth between 2010 and 2015. In addition, in 54 percent of those countries, incomes of the bottom 40 grew faster than the average. Progress in East Asia and South Asia has been the most impressive, with the bottom 40 percent growing annually by 4.7 percent and 2.6 percent respectively from 2010 to 2015. Some regions, including Latin America and the Caribbean and Europe and Central Asia, saw less growth in shared prosperity than in the recent past.

The Bank also produces semi-annual two-page country Poverty and Equity Briefs highlighting poverty, shared prosperity, and inequality trends. But the data to assess shared prosperity is weakest in the very countries that most need it to improve. Only one in four low-income countries and four of the 35 recognized fragile and conflict-affected states have data to monitor shared prosperity over time.

The Bank Group has continued to strengthen knowledge sharing and analyses to help nations become more inclusive. For example, a recent report, *Asylum Seekers in the European Union*, highlighted these people's sociodemographic characteristics, their

education and work experience, their journey to Italy and Greece, and the toll it cost them not only financially but also physically and emotionally to get there.

Over the coming months, we will also publish a report on data collection in fragile environments. It will share lessons learned on innovations for collecting statistical information in some of the world's most challenging environments. It will explore the use of satellite data, mobile phone surveys, and permanent enumerators to gather data in remote locations as well as discuss approaches to asking sensitive questions. Work to be showcased includes the new Rapid Emergency Response Survey (RERS) designed to address urgent needs of affected populations in Nigeria, Somalia, South Sudan, and Yemen. The RERS is a phone survey, allowing access to crisis-affected populations without exposing field teams to unnecessary risks. Interviews are 20 minutes long to avoid response fatigue and minimize the risk of burdening already stressed respondents.

In April 2019, the Bank and the UN Department of Economic and Social Affairs organized a conference on progress made on SDG 10 entitled "Reducing Inequalities: SDG 10 Progress and Prospects". The outcomes underscored the role of governance



*A woman tends her chicken farm in San Nicolas, Colombia.  
Charlotte Kesl / World Bank.*



*Portrait of a young truck driver in Bangladesh.  
Scott Wallace / World Bank.*

institutions and the financial accountability of national governments in reducing inequality; the need to enact legal reforms to remove barriers to opportunities; the importance of investing in human capital; support for informal sector contributions; and interventions

that include, but go significantly beyond, redistributive income policies. Other suggestions included strengthening political will to address the risk to social cohesion posed by inequality and to do more to map and measure inequalities within and across countries.

## FINANCING SDG10

# Social Bonds and Addressing Inequality in Project Design

Addressing inequalities is closely related to SDG 1 and raising the well-being of the poor the well-being of the poor, but there are also targeted financing initiatives that promote greater equality.

For example, in March 2017, IFC launched its Social Bond program and became a leader in this space. As of March 2019, IFC has issued close to \$1.4 billion through 25 transactions in seven currencies to support women-owned enterprises and people living at the base of the pyramid in emerging markets. IFC co-chairs a working group on the Social Bond Principles, which promotes the issuance of bonds to address social development needs.

The Bank Group has continued to integrate inequality considerations into project design and operations across and within countries. For example, in Chile, children faced the challenge of unequal access to quality education. Students of lower socioeconomic status were occasionally denied admission to primary education in better-quality schools, and poor students weren't able to afford tertiary education. We helped the government design a project to promote equal opportunities in education and strengthen institutions for poverty measurement. As a result, nearly 49,000 students received full scholarships for their tertiary education.



*The Kasbah of the Udayas offers a magnificent view of the city and the river and the ocean from its cliff-top perch. Morocco.*

*Arne Hoel / World Bank.*







## SDG 11

# Make Cities and Human Settlements Inclusive, Safe, Resilient, and Sustainable

Today, over 4 billion people—more than half the global population—live in cities. By 2050, with the urban population more than doubling, nearly 7 of 10 people will live in cities. The World Bank Group has a strong program of operations and technical assistance to support countries in implementing SDG 11 and the New Urban Agenda, to help make cities inclusive, safe, resilient, and sustainable for all.

We invest an average of \$6 billion in urban development and resilience projects every year. Through a combination of investment project financing, policy development loans, and Program-for-Results funding, the Bank Group aims to help cities, with their limited local government capacity and resources, meet the

demands of urbanization. The global investment needed for urban infrastructure is \$4.5-5.4 trillion per year, including a 9-27% premium to make it low-emission and climate-resilient. Most of this need lies in the developing world, and only a small fraction of urban infrastructure can be supplied by aid. In this context, the Bank Group's strategy is to help cities expand access to finance from multiple sources, including private and commercial finance.

We are helping cities and national governments put in place the financial framework to attract investment and grow sustainably. This addresses a need for sound basic building blocks of city financing, including stronger internal revenue generation, increases in fiscal

## CLOSING THE SDGS FINANCING GAP

transfers, better accounting and financial management performance by city government and service delivery agencies, and regulatory frameworks for facilitating private investment. The World Bank is helping establish and strengthen urban institutions to deliver improved infrastructure. For example, in Sub-Saharan Africa, an operational portfolio of almost \$1.1 billion in urban projects focuses on improving financial and institutional performance and strengthening decentralization in Ethiopia, Kenya, Senegal, Tanzania, and Uganda.

A key element for SDG 11 is to promote territorial development in developing countries and cities. Economic activities are concentrated in only a few places; just 1.5 percent of the world's land is home to half of its production. This concentration is inevitable, and desirable. Evidence suggests that prosperous and peaceful countries have been successful by bringing people and businesses closer in cities, while harnessing agglomeration economies to boost productivity, job creation, and economic growth. Several World Bank knowledge products have supported greater understanding in this area.

The World Bank report, *Raising the Bar for Productive Cities in Latin America and the Caribbean*, analyzes key factors constraining the productivity performance

of the region's cities and provides evidence to show how planning, investments and policy reforms promote a more connected and integrated urban system that can foster economic growth and inclusion. A new report, *Which Way to Livable and Productive Cities? A Road Map for Sub-Saharan Africa*, brings together analytic work to show that urban livability and prosperity cannot be pursued effectively without distinguishing priorities for larger cities from those of smaller towns. The Bank is launching the North and Northeastern Development Initiative, a multi-sectoral program with projects in transport, water, energy, agriculture, livelihoods, and social protection to help connect Kenya's North and North Eastern regions to national and global markets.

Also key for reaching SDG 11 is resilience to natural disasters and climate change. Today, 90 percent of urban expansion takes place in developing countries, much of it exposed to natural hazards near rivers and coastlines, and often through informal and unplanned settlements. Lack of adequate infrastructure, land use planning, and building codes exacerbates risks to urban dwellers. Poorer people are particularly vulnerable, since they tend to live in more hazardous settlements and lack the necessary safety nets to recover from economic or environmental shocks.

Preparing cities for disaster and climate risks and strengthening their resilience are thus critical to development and poverty reduction. In addition to providing fiscal support (see box below), the World Bank has:

- ▶ Facilitated global partnerships, including with the Agence Française de Développement (AFD) and the Asian Infrastructure Investment Bank (AIIB), to support countries in their urban resilience work.
- ▶ Through the Cities Resilience Program (CRP), helped cities raise the finance they need to build resilience to climate change and disaster risks, connect investors with bankable projects, and keep millions of people safer and stronger. Supported by the Global Facility for Disaster Reduction and Recovery, the Swiss Economic Secretariat, and other partners, the program has engaged over 57 cities in 39 countries in developing investments that can be financed with a range of instruments, including capitalizing on existing assets and taking advantage of risk-mitigating mechanisms. The CRP is supporting 20 projects under preparation or implementation, with \$2.3 billion in commitments.
- ▶ The CRP has also delivered 13 City Resilience Scans that provide maps, visualizations, and

analysis that spatially lay out the built environment and a city's risk information to inform planning for resilience-enhancing investments.

Urban resilience goes hand-in-hand with environmental sustainability. The World Bank's Global Platform for Sustainable Cities (GPSC) is a partnership with 28 cities across 11 countries that have received \$151 million from the Global Environment Facility. This support has leveraged \$2.4 billion in project co-financing. The platform promotes integrated solutions and cutting-edge knowledge for cities seeking to improve resilience and overall urban sustainability.

One example of GPSC's work is the Urban Sustainability Framework. This guidance document incorporates 177 indicators into a clear process for cities to track their sustainability. The 14 most important core indicators are associated with SDG 11. By using these, GPSC helps establish comprehensive multicity data sets tied to each indicator. This in turn helps track international progress toward SDG 11, allows cities to compare their performance with their peers, and enhances knowledge sharing between cities. GPSC is using the SDG 11 core indicators to roll out a benchmarking assessment for more than 30 cities worldwide.

## FINANCING SDG11

# The Cities Resilience Program and CAT Bonds

Cities need innovative ways of leveraging investment, including from private and non-traditional sources, such as land value capture, sometimes in combination with MDBs and other agencies. They also need to reform intergovernmental fiscal transfers and strengthen municipal finances. Bank Group efforts include:

- ▶ The Resilient City Development Program, a partnership of the Spanish Agency for International Development Cooperation and the World Bank, which is helping cities in Sub-Saharan Africa strengthen resilience and access a broader range of financing options.
- ▶ The City Creditworthiness Initiative, which aims to strengthen the financial performance of local governments and prepare them to tap domestic and regional capital markets without a sovereign guarantee. It has trained over 630 municipal officials from 250 cities in 26 countries.

The Bank Group also invested \$5.3 billion during fiscal year 2018 in disaster risk management across over 140 countries. IDA18 allocates \$3 billion to respond to natural disasters, public health emergencies, and economic, health, and natural shocks. This has included \$80 million for economic recovery in Mongolia, \$200 million to combat a cholera outbreak





*Al Nnuhoud Livestock Market in Sudan where  
livestock is brought and traded from places nearby.  
Salahaldeen Nadir / World Bank.*





## SDG 12

# Sustainable Consumption and Production

Our precious air, water, land and other natural resources are under threat from unplanned use and pollution. Economic activity and urbanization often consume resources that are limited while creating pollution and threatening people, ecosystem services, and the environment at local, regional, and global levels. Shrinking the ecological footprint in a changing world requires that we change patterns of consumption and production. Countries must pay attention not only to the amount of resources consumed but also the types of production, and the ways of reducing and managing wastes, including food wastes.

The Bank Group promotes a range of sustainable consumption and production patterns. Examples include:

**Management of marine litter and comprehensive management of plastics:** There is broad consensus on solutions, including by improving waste management and reducing the upstream production and use of plastics. For example, the World Bank invests and supports policy reforms in the Pakistan Green Growth Project (\$200 million, approved in FY19): a \$10 million component will help the government develop a plastic management strategy to include regulation on the production and consumption of single-use plastics. In Grenada, we support policy reform through the Fiscal Resilience and Blue Growth Project (\$30 million, approved in FY19), which includes a total ban on Styrofoam food containers and plastics bags.

## CLOSING THE SDGS FINANCING GAP

**Food loss and waste (FLW):** According to the best available estimates from FAO, one-third of all food produced globally each year – 1.3 billion tons – is lost or wasted, bringing a trillion dollars a year in economic losses while consuming one-quarter of all water used in agriculture. FLW contributes to climate change with impacts along the supply chain, generating 8 percent of annual global greenhouse gas emissions. This is occurring even as 815 million people are suffering hunger around the world. The Bank is developing a global economic and conceptual framework on the issue which will assess the drivers of FLW and define policy levers that can promote action across the value chain. It will also support development of Food-Smart Country Diagnostics to inform reduction strategies for key commodities in developing and rapidly urbanizing economies as well as provide a roadmap of interventions for policy makers and private sector actors.

Through the Pollution Management and Environmental Health Trust Fund, the World Bank's support includes policy, analytical work, and technical response, including to contaminated and toxic site management or water pollution control. Examples include:

- ▶ **Policy:** In Colombia, Lao PDR, and Vietnam, development policy loans are improving environmental quality by reducing air and water pollution and improving waste management. In Piaui, Brazil, actions supported by the Bank have improved environmental health, as part of a comprehensive strategy to promote social inclusion and increase productivity for the rural poor.
- ▶ **Contaminated and toxic sites management:** The Bank is identifying toxic contaminated sites in Tanzania. Work includes the design of methodologies to assess health and related economic impacts, remediation alternatives related to toxic land pollution, and ways of increasing the national and local governments' capacity to improve action plans for land-based pollution.
- ▶ **Water pollution control:** Projects address water pollution in the Bogota River (Colombia), the Matanza-Riachuelo watershed (Argentina), and several water bodies in Lebanon. In Argentina, we are supporting implementation of the most ambitious basin recovery project in the country's history. We are also working with countries such as Indonesia on management of marine pollution, particularly heavy metals, nutrient run-off, and plastics.
- ▶ **Knowledge management and learning:** In 2018, the World Bank co-sponsored and participated in





*Chestnut farm worker in China carries basket of harvested chestnuts.  
Wu Zhiyi / World Bank.*



*Women create terraces as their contribution to the umunsi w'umuganda program in Rwanda. Families who participate in the program are rewarded for their efforts with assistance on their own lands, or financial compensation.*

*A'Melody Lee / World Bank*

the first WHO Global Conference on Air Pollution and Health. This resulted in several countries, cities, mayors, NGOS, and IFIs announcing voluntary commitments, new initiatives, and financial support to tackle air pollution. We also supported

development of an online training course on the fundamentals of air quality management, available through our Open Learning Campus.



## FINANCING SDG12

# Pollution Management and Environmental Health

World Bank Group commitments in air, water, and land pollution management are about \$43 billion and include 317 World Bank investment and policy operations. The Bank is assisting countries' efforts through loans that support policy reforms, programs and projects aimed at reducing pollution and mitigating climate change. This includes innovative financing, such as the first-ever Sustainable Development Bond on Food Loss and Waste in March 2019, raising \$300 million to help leverage global capital markets to finance solutions around the world. We are also supporting analytical work to underpin design and implementation of policy and institutional actions that improve pollution management.

The Bank established a multi-donor trust fund for Pollution Management and Environmental Health to promote systematic and effective responses to the most pressing environmental issues. Through the program, we are helping China, Ghana, Egypt, India,

Nigeria, South Africa, and Vietnam develop air quality management plans and reduce short-term climate pollutants and greenhouse gases. This support has been instrumental in reducing air pollution in China, where fine particulate matter concentrations have decreased by 34 percent in the last four years. A total commitment of \$1 billion has helped reduce emissions through interventions in various sources – industry, agriculture, energy and households – and by increasing energy efficiency and clean energy in the Beijing-Tianjin-Hebei region. In Ghana, the program is supporting preparation and implementation of the first Air Quality Management plan for Greater Accra.

*Glaciers in Chile.  
Curt Carnemark / World Bank.*





## SDG 13

# Take Urgent Action to Combat Climate Change and its Impacts

The urgency of climate action increased even further this year. The IPCC 1.5° special report released in September 2018 was blunt in its assessment of the speed and scale of global action required in the next decade. Greenhouse gas emissions must be halved by 2030, an extraordinary challenge given global emissions remain on their historical upward trajectory. Changing this direction requires unprecedented levels of transformation across policy, technology, behavior, and financing systems.

For example, the IPCC report noted that to limit temperature increases to no more than 1.5 °C, investments in energy efficiency and low carbon technologies must increase by a factor of five by

2050. COP24 in Katowice generated a rulebook for implementation of most – but not all – of the Paris Agreement. It included significant advances on reporting and transparency rules, requiring countries to use common guidelines for reporting. Some accommodations were made for developing countries, reflecting their challenges with data availability and institutional capacity. But they must explain what reporting flexibility they need and why, and how and when they anticipate being able to join the common framework. To facilitate reporting, countries must identify indicators to track progress on their Nationally Determined Contributions (NDCs), and at the end of the period covered by their NDCs must assess their progress

## CLOSING THE SDGS FINANCING GAP

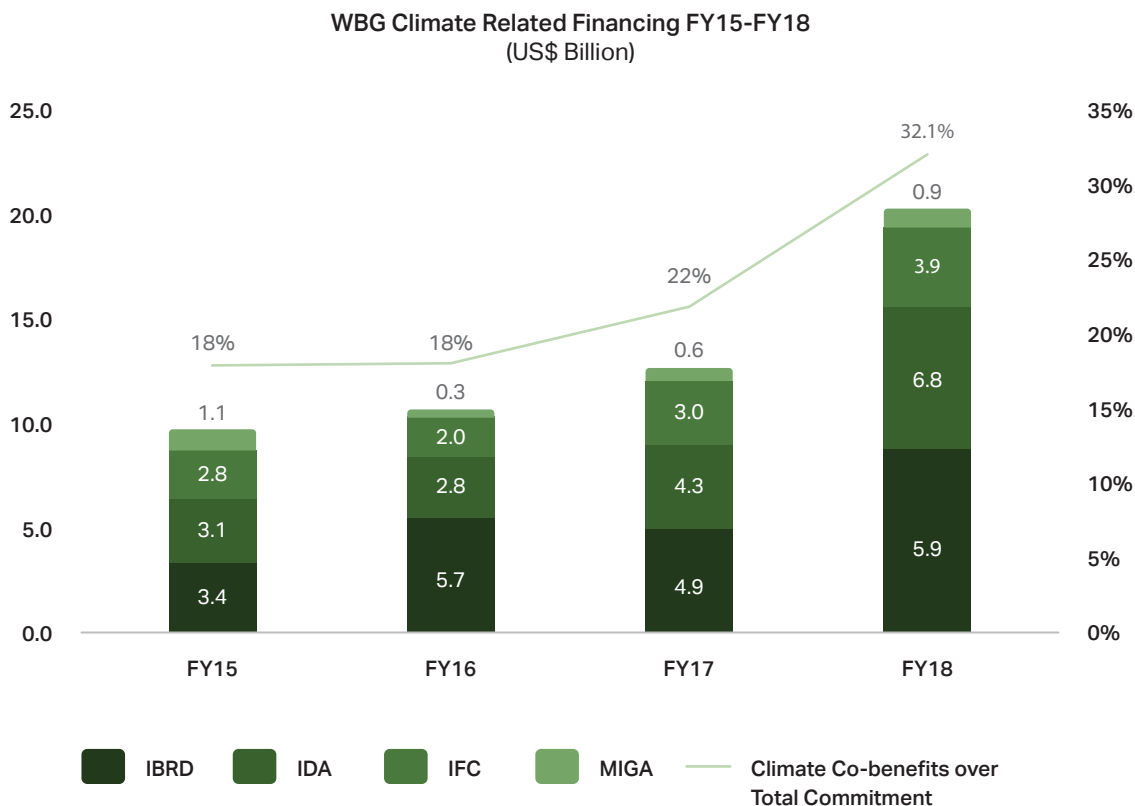
toward delivery. These changes should help address questions about the quality of climate commitments made under the Paris Agreement, and whether they are being achieved.

There was also modest progress on the level of finance available for climate investments. The UNFCCC Standing Committee on Finance (SCF), the OECD, and the Climate Policy Initiative all released updated assessments of various finance flows in 2018. All concluded that finance levels were moving in the right direction, with the SCF analysis, the most comprehensive of the three, finding that total climate finance increased from \$584 billion in 2014 to \$681 billion in 2016. The six largest multilateral development banks also saw their climate-related investments reach a seven-year high of \$35.2 billion in 2017, up 28 percent from the previous year. Overall, however, the SCF found that climate finance remains a small fraction of overall total global finance flows and – more worrisome – less than investments in fossil fuel-based activities for the same period.

The World Bank's climate-related investment activity jumped significantly in FY18, to \$20.5 billion, or 32.1

percent of total Bank Group financing. This exceeds the target set in 2015 that 28 percent of Bank Group lending volume would be climate-related by 2020.

Two questions are likely to dominate the political and policy landscape in the coming year: how to shift funding levels from billions to trillions to address the climate finance gap, and how to get countries to boost their ambition in the next round of NDC submissions due in 2020, so that they move closer to a 1.5°-aligned emissions pathway. Both questions will be priorities at the climate summit that UN Secretary General António Guterres will host September 2019 in New York City. The governments of France and Jamaica have been tapped to lead on the Summit's finance track, supported by the Bank Group. Certain to gain attention are efforts to promote and scale-up methods for climate-related disclosures by corporations and financial institutions. These efforts build on work of the Task Force on Climate-Related Financial Disclosures and others seeking to ensure that climate change is fully accounted for in both public and private investment decision-making. At scale, these practices could significantly increase private sector finance for climate action, if coupled with less investment in activities that exacerbate the problem.



A major World Bank contribution to this climate finance discussion will be our role as Secretariat for the new Coalition of Finance Ministers for Climate Action. This emerged from a ministerial session at our 2018 Annual Meetings in Bali, with Finland and Chile’s finance ministers stepping forward to lead the effort. The

coalition seeks to help finance ministers exert greater leadership on climate issues, both domestically and internationally. The effort will advance a set of common principles that ministers would commit to pursuing in the coming years. All of these link to policy control powers typically held by their ministries, including





*Man walking through a flooded rice field in the Philippines.*

*Nonie Reyes / World Bank*

taxation and subsidy powers, procurement rules, and public financial management. The coalition will formally launch in 2019 and engage partner institutions (such as the IMF, OECD, UNDP, the UNFCCC, and the NDC Partnership) to provide strategic and technical support to participating governments.

## FINANCING SDG13

# Climate Adaptation Finance and Green Bonds

In January 2019, the World Bank Group launched its *Action Plan on Climate Change Adaptation and Resilience*. We will ramp up direct adaptation climate finance to reach \$50 billion over FY21–25. This financing—an average of \$10 billion a year—is more than double what we achieved during FY15–18. The Bank Group will also pilot new approaches to increasing private finance for adaptation and resilience, and the plan will help countries systematically manage climate risks at every phase of policy planning, investment design, and implementation. The financing will include approximately \$100 billion from IBRD/IDA and \$100 billion of combined direct finance from IFC, MIGA, and private capital mobilized by the Bank Group.

IBRD and IFC are major issuers of green bonds and global leaders on these in emerging markets. IBRD has issued \$13 billion through 150 transactions in 20 currencies since it issued the world's first green

bond in 2008. As of March 1, 2019, IFC has issued \$9 billion through 139 transactions in 16 currencies since issuing its first green bond in FY10. In November 2018, IBRD celebrated the 10th anniversary of the first green bond with a triple green bond issuance in USD, EUR and AUD, raising \$1.5 billion equivalent through green bonds in just one week.

Other examples include IFC's partnership with the asset management company Amundi to launch the world's largest green-bond fund dedicated to emerging markets.

To further develop this market and create new markets in the process, IBRD and IFC work with clients to issue green bonds, both by advising issuers on the set-up of their programs (e.g., IBRD's Green Bond Proceeds Management and Reporting Guidelines) and by serving as an anchor investor (e.g., through IFC's Green Cornerstone Bond Fund).





*Fisherman with his catch on Neretva River.2010. Bosnia and Herzegovina.  
Almin Zrno / World Bank.*



SDG 14

# Life Below Water

The World Bank Group helps countries promote strong governance of marine and coastal resources. To improve the contribution to sustainable and inclusive economies, we work to promote sustainable fisheries and aquaculture, make coastlines more resilient, establish coastal and marine protected areas, reduce pollution, and develop knowledge and capacity on ocean health.

The World Bank and many of our partners have adopted what we call the “blue economy” approach to oceans and waterways. It supports economic growth, social inclusion, and the preservation or improvement of livelihoods while ensuring the environmental sustainability of oceans and coastal areas. The Bank’s

blue economy portfolio is worth around \$4.8 billion, with a further \$1.8 billion in the pipeline. We provide about \$1.4 billion in financing for sustainable fisheries and aquaculture, and \$1.7 billion for efforts to conserve and enhance coastal and ocean habitats.

As part of waste and wastewater management projects, the Bank also provides some \$1.8 billion for coastal infrastructure such as waste treatment, watershed management, and other facilities that help reduce coastal and marine pollution. Our engagement is supported by the Global Program for the Blue Economy, PROBLUE (see page 104), which aims to ensure healthy and productive oceans and the implementation of SDG 14 in line with the Bank’s mission.

## CLOSING THE SDGS FINANCING GAP

Regional programs include support for fisheries management in the Pacific islands, West Africa, and the South West Indian Ocean; a partnership to build governance for migratory fish stocks in areas beyond and between national jurisdictions; and regional technical assistance to combat coastal erosion in West Africa. In Bangladesh, the new Sustainable Coastal and Marine Fisheries project (with \$240 million of Bank financing) enables the private sector to take part in the seafood value chain and related industries in ways that contribute to a successful blue economy.

The Bank also contributes to knowledge on oceans and fisheries with publications such as recent *The Sunken Billions Revisited: Progress and Challenges in Global Marine Fisheries* (a follow-up report to *The Sunken Billions: The Economic Justification for Fisheries Reform*), as well as *The Potential of the Blue Economy*. The latter discusses long-term benefits of the sustainable use of marine resources for small island developing states and coastal least-developed countries. In 2019, the Bank's report *Marine Pollution in the Caribbean: Not a Minute to Waste* assessed marine pollution in the Caribbean and recommended ways to enhance resilience as the region steers toward the blue economy. With partnerships such as PROBLUE, the Bank convenes partners and

stakeholders to mobilize ocean investment, advocate for positive reforms, and ensure that healthy oceans remain on the global agenda.

In Seychelles, the Bank helped develop the first-ever sovereign blue bond to be issued by a government. It provides \$15 million to finance the transition to the blue economy, especially by improving management of marine areas and strengthening fisheries value chains. It co-finances the SWIOFish3 project (IBRD: \$5 million, GEF Grant: \$5.29 million, GEF Loan: \$5 million, Blue Bond: \$15 million) and is partially guaranteed by the Bank (\$5 million). Proceeds are channeled through both the Seychelles Conservation and Climate Adaptation Trust — with blue grants to projects that expand sustainable-use marine protected areas and improve management of fisheries — and through the Development Bank of Seychelles' Blue Investment Fund, with loans to local stakeholders to advance seafood value chains.



## INNOVATIVE FINANCING FOR HEALTHY OCEANS

The World's First Sovereign Blue Bond in Seychelles



**We depend on oceans,**  
Healthy, productive oceans provide jobs, food and drive economic growth. They keep the planet cool.



Oceans make up more than 70 percent of earth's surface



Nearly 60 million people work in fisheries and aquaculture



Fish is a key source of protein for almost 3 billion people



Oceans contribute \$3.3 trillion annually to global economy

**and oceans depend on us.**



1/3 fish stocks overfished



Additional 8 million tons of plastic enter oceans each year



Sea levels are rising, seas are warming, conditions are **eroding**

## Blue Bond Supports Sustainable Oceans

A blue bond is an innovative financial instrument used to raise financing from capital market investors for projects that support the sustainable use of ocean resources.



## The Seychelles Model

THE WORLD'S FIRST SOVEREIGN BLUE BOND

### EXAMPLES OF ELIGIBLE ACTIVITIES



Promotion of sustainable practices



Fisheries management plans



Education awareness programs



Stock rebuilding



Improved value chains



Aquaculture development

### SEYCHELLES BLUE BOND IN NUMBERS

**\$15**  
MILLION

**3** GLOBAL  
IMPACT  
INVESTORS

**10-YEAR**  
MATURITY

**PARTIALLY  
GUARANTEED**  
BY WORLD BANK

**6.5% COUPON  
REDUCED TO  
2.8% WITH GEF  
SUPPORT**







## FINANCING SDG14

# PROBLUE

PROBLUE is a new multi-donor trust fund that will support and catalyze the Blue Economy Action Plan across the World Bank Group. It takes a coordinated approach to ensuring the protection and sustainable use of marine and coastal resources across Bank Group activities. It focuses on four key themes to deliver more and lasting benefits to countries and communities.

Management of fisheries and aquaculture

Ocean health threats: marine pollution, litter, plastics

Sustainability: tourism, maritime transport, energy

Building the capacity of governments for seascape management

PROBLUE finances three broad sets of activities:

- ▶ Knowledge generation and dissemination of knowledge;

- ▶ Support to project identification, preparation and implementation;
- ▶ Financing of projects, either co-financed by IBRD/IDA or self-standing.

PROBLUE was announced at the One Planet Summit in September 2018 and signed at the Sustainable Blue Economy Conference in Nairobi, Kenya, in November. It became effective shortly after with a seven-year implementation period. About \$150 million has been committed, with Norway making the initial pledge of \$15 million as part of a planned multiyear contribution, followed by Sweden (\$33.4 million), Iceland (\$1.4 million), France (\$1 million),

and Germany (\$0.6 million). Other potential donors include Canada, the European Union, and Denmark. The private sector will soon be invited to join.

PROBLUE will help build capacity for countries to address marine pollution, from land-based to marine sources, contributing directly to SDG 14.1. It will also facilitate analytics to inform roadmaps and national action plans and strategies to prevent marine plastics, as well as to develop decision-making tools for governments. It will help build a pipeline of activities to prevent marine pollution across sectors contributing to SDG14 and beyond (SDG3, 5, 6, 11, 12, 13, 15).

*Monarch butterflies in Mexico.*  
*Curt Carnemark / World Bank.*





## SDG 15

# Life on Land

Terrestrial ecosystems are critical not only to flora and fauna but also to communities that depend on them, including those that are far away but benefit from their hydrologic regulation, water quality benefits, and other ecosystem products and services. The World Bank Group is committed to helping countries develop forest programs that help meet the related SDGs, including reducing poverty, increasing resilience, creating jobs, conserving biodiversity, and combating climate change.

The Bank Group is supporting programs that encourage multi-sectoral approaches to managing landscapes, including forests and watersheds. For example, in Ethiopia, the Resilient Landscapes

and Livelihoods Project works simultaneously to address issues of climate resilience, land productivity, carbon storage, soil and water management, and livelihood diversification in watersheds. The Amazon Sustainable Landscapes Program seeks to expand the area under legal protection, improve management of protected areas, and increase the area under restoration and sustainable management. The Madagascar Sustainable Landscape Management Project seeks to support both natural resources and agricultural management in key landscapes. Under the Bank's Forest Action Plan, work is underway to address deforestation caused by land use change from forest to agriculture. This is being scaled-up through the



## CLOSING THE SDGS FINANCING GAP

Adaptation and Resilience Action Plan with a commitment to support integrated landscape management in about 50 countries.

Biodiversity loss is a global environmental crisis, with potentially severe and irreversible consequences that are particularly acute as infrastructure expands to meet global demand for electricity, water supply, food production, and transportation. The Bank's new Environmental and Social Framework has an Environmental and Social Standard (ESS6) that addresses Biodiversity Conservation and Sustainable Management of Living Natural Resources. It reinforces our commitment to making infrastructure and other development more biodiversity-friendly. It applies specific conservation requirements to infrastructure or other projects that would affect critical, natural, or modified habitats as well as protected or Internationally Recognized Areas.

This work is in addition to programs that combat the illegal wildlife trade. These include the Global Wildlife Program (GWP), which seeks to i) reduce poaching, ii) reduce poaching at the site level by engaging local communities and protecting habitats, iii) reduce wildlife trafficking through effective law enforcement and criminal justice responses, iv) reduce demand for illegal wildlife products by changing consumer behavior.



The GWP is a \$131 million grant program funded by the Global Environment Facility (GEF) and led by the Bank Group, bringing together 20 national projects in 19 countries across Africa and Asia to combat wildlife crime. It has 20 national projects in Africa and Asia that are being implemented by UNDP, the Bank Group, and UNEP. The GEF investment is bolstered by over \$700 million in project co-financing from national governments, GEF agencies, international and national NGOs, bilateral cooperation agencies, and the private sector. A Program Steering Committee is convened by the Bank Group, which includes the GEF Secretariat, Asian Development Bank, UNDP, UNEP, the CITES Secretariat, ICCWC, IUCN, TRAFFIC, Wildlife Conservation Society, WildAid, and WWF.

Knowledge exchange is integral to the GWP's approach. The program conducts monthly virtual events on topics related to anti-poaching, counter-wildlife trafficking, and reduction of consumer demand. It supports knowledge events globally as well as publications and other outreach products.

## FINANCING SDG15

# The Forest Action Plan and the Payment for Environmental Services System

Since adoption of the World Bank Group's Forest Action Plan in 2016, our forest portfolio has grown from \$1.8 billion to \$2.3 billion, mainly in IDA countries. We are seeking innovative ways to finance protection of our forests – and our planet.

- ▶ In Mozambique, we are supporting the government through an Integrated Landscape Management portfolio that combines \$500 million for on-the-ground investments, technical assistance, and results-based financing for sustainable management of forests and other resources. This includes \$100 million for biodiversity conservation.
- ▶ In Ghana, we are helping the government improve landscape and forest management on 85,000 hectares that connect forest reserves and provide corridors for biodiversity. We are also helping farmers invest in trees to improve cocoa

production by increasing shade, retaining soil moisture, and providing habitat for pollinators and other biodiversity.

- ▶ In Mozambique and DRC landmark agreements with the World Bank will reward community efforts to reduce carbon emissions by tackling deforestation and forest degradation. These Emission Reductions Payment Agreements unlock performance-based payments of up to \$50 million for Mozambique and up to \$55 million for DRC. Several other countries are expected to finalize similar agreements with the Bank in coming months.

The Bank is also a pioneer on design and implementation of an innovative ecological compensation mechanism using a market system, known as payment for environmental services (PES). Efforts on this have increased since the Forest Action Plan's inception, with PES being included in four new projects in FY17 and six in FY18.



JAMES D. WOLFENSOHN  
ATRIUM

 **SPRING MEETINGS**

 **SPRING MEETINGS**  
www.worldbank.org/springmeetings

*World Bank Group Headquarters in  
Washington, D.C.  
World Bank / Grant Ellis*





## SDG 16

# Promote Peaceful and Inclusive Societies, Provide Access to Justice for All, and Build Effective, Accountable and Inclusive Institutions

The World Bank Group continues to make progress on the 2030 Agenda and realization of SDG16 through activities that focus on addressing the drivers of fragility and strengthening governance across multiple dimensions.

Prevention of violence is crucial to meeting SDG 16 target 16.1. The World Bank and the UN launched the first joint report on prevention in March 2018,

*Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict.* It looks at how development processes can better interact with diplomacy and mediation, security, and other tools to prevent violent conflict.

Under IDA18, the WBG has doubled its financing for fragile and conflict-affected situations to USD 14 billion. The Bank Group is now applying the findings from

## CLOSING THE SDGS FINANCING GAP

Pathways for Peace through the IDA18 Risk Mitigation Regime (implemented in Guinea, Nepal, Niger, and Tajikistan), which offers \$1 billion in additional IDA financing for programs that specifically target the drivers of fragility, conflict and violence (FCV). Looking ahead to IDA19, the Bank Group will build on this progress and continue its strong engagement in fragile and conflict-affected situations, including through a strong focus on prevention.

We are currently developing our first Strategy for FCV, which aims to build on the progress made to date to support client countries and vulnerable populations impacted by FCV. Recognizing that a concerted effort in FCV is needed to achieve our Twin Goals as well as the SDGs, the strategy will be an opportunity to articulate how we can more effectively support the international community's broader efforts to contribute to peace and prosperity. Prevention will be a central pillar in the upcoming strategy, which will aim to systematically address the root causes of fragility, as well as the longer-term risks that can drive or exacerbate conflict and violence.

The Global Crisis Risk Platform is strengthening the Bank's ability to monitor, prevent, and respond to the emergence or escalation of shocks. For example,

in response to the ongoing Ebola outbreak in the Democratic Republic of the Congo, we are working closely with partners on the ground to provide financing and technical assistance in support of efforts to address the crisis as well as strengthen the preparedness of neighboring countries.

Building on our commitment to shift from responding to crisis toward better forecasting risks and preventing crises, the World Bank, in partnership with the UN, and other global partners, is developing a Famine Action Mechanism. This will provide a global tool to support upstream interventions in famine prevention, preparedness, and early action. Workshops have been held for five countries (Afghanistan, Chad, Somalia, South Sudan, and Yemen) that exhibit some of the most critical ongoing food security needs - with the goal of developing country action plans that articulate a coordinated approach to famine prevention, preparedness and early action.

Working toward SDG 16 requires leveraging partnerships at strategic and operational levels. The WB-UN partnership is critical to bridge the humanitarian-development nexus in addressing crises, with country-level cooperation ongoing in more than 40 crisis-affected countries. For example, in Yemen, the Bank partnered



**SDG 16: PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES, PROVIDE ACCESS TO JUSTICE FOR ALL, AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS**



*Syrian refugees have found temporary safety in Kafar Kahel informal settlement in the Koura District, in Lebanon.*

*Dominic Chavez/World Bank*

## CLOSING THE SDGS FINANCING GAP

with various UN agencies (WFP, UNDP, UNICEF, WHO, UNOPS) to provide over \$1.5 billion for development programs focusing on strengthening capacity, building the resilience of local institutions, and preserving hard-won development gains.

In addition, World Bank CEO Kristalina Georgieva and UN High Commissioner for Refugees Filippo Grandi signed a Memorandum of Understanding in 2018 to establish a new Joint Data Center on forced displacement. The Center includes collection, analysis and use of complementary data across the institutions to inform more coordination and stronger response to forced displacement as well as help address challenges on methodology, access, capacity, and use of country systems.

Also important for SDG 16 implementation are the Risk and Resilience Assessments, which continue to help Country Partnership Frameworks address key underlying drivers of FCV. As of May 2019, 14 of these assessments have been completed, with six for IDA fragile and conflict-affected situations. In addition, the Reconstruction and Peacebuilding Assessment (RPBA)—a key diagnostic tool implemented through a tripartite agreement between the Bank Group, EU, and UN—the RPBA supports coordinated reengagement

in countries or regions that are emerging from conflict or political crisis and helps harmonize response frameworks to enhance resilience. Recently, the Cameroon RPBA has been conducted, while assessments for Libya and Zimbabwe are underway. Building on achievements of the past decade, we are working with the EU and UN to update the Joint Declaration on a Platform for Crisis and Post-Crisis Collaboration and Support, aiming to strengthen collaboration during early post-crisis response.

The World Bank is a global leader in efforts to meet Target 16.5, to substantially reduce corruption and bribery in all its forms. We are promoting the transparency agenda through technical assistance and capability building to implement standards and reporting requirements, helping institutions prevent corruption as well as address the underlying incentives that drive corrupt behavior.

The Bank Group is also supporting efforts to improve public expenditure, financial management, and procurement – ultimately aimed at improving the public sector’s service delivery for citizens in line with Target 16.6 to develop effective and accountable institutions at all levels. Establishing and strengthening

**SDG 16: PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES, PROVIDE ACCESS TO JUSTICE FOR ALL, AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS**

core government functions is the foundation of our governance work across 34 projects covering these issues. This includes:

- ▶ More narrowly focused projects (e.g., strengthening budget execution and financial reporting systems in the Marshall Islands, and developing Integrated Financial Management Information System in Gambia).
- ▶ Projects on broad aspects of public sector management and public financial management, including strengthening accountability in DRC, and public-sector modernization in Liberia.
- ▶ Our continuing focus on the importance of domestic revenue mobilization and management (e.g., in Chad and Somalia) and service delivery in (Central African Republic, Gambia, and Somalia).

Areas of work also include increasing transparency, citizen participation, and collaboration between government and citizens to ensure inclusive and participatory decision-making toward meeting Target 16.7.

The Bank Group contributes to fulfillment of SDG 16 targets 16.1 and 16.2 by preventing and counteracting gender-based violence (GBV) in fragile contexts. Under IDA18, five projects that prevent or respond to

GBV have been approved, with important progress achieved at the country level. In DRC for example, we are helping GBV survivors at the community level while promoting gender equality, behavioral change, and violence prevention.

To preserve essential institutions and maintain service delivery, the Bank Group is providing critical development support in the most difficult circumstances, including in subnational regions affected by ongoing conflict. By remaining engaged in situations of crisis and conflict, we are making a critical contribution on SDG 16 targets 16.1 and 16.3. In the Sahel, for example, we are working with development and security partners to deliver over \$6 billion in financing to support reconstruction, stabilization, and resilience in insecure areas across the region.

Where protracted crises challenge humanitarian efforts as short-term solutions, the Bank Group is increasingly engaged in more durable development solutions for the longer term in collaboration with humanitarian agencies. For example, in South Sudan, the Bank recently approved a project – in partnership with ICRC and UNICEF – to provide access to essential health services to some of the most vulnerable and marginalized communities impacted by conflict and violence.

## FINANCING SDG16

# IDA Sub-windows, Public Expenditure Reviews and Reducing Illicit Financial Flows

There are many ways the World Bank Group is exploring innovative financing for SDG16.

To complement humanitarian responses including those by the UN High Commissioner for Refugees, the Bank Group focuses on medium- and long-term socioeconomic dimensions of forced displacement that address both the forcibly displaced and their host communities. We have launched the IDA18 sub-window for refugees and host communities for low-income countries, as well as the Global Concessional Financing Facility for middle-income countries. Contributing to target 16.6, these facilities provide resources for medium- to long-term

investments that benefit both refugees and host communities and help promote peaceful and inclusive societies.

14 Countries are currently eligible for the IDA 18 Refugee Sub-Window, which cumulatively host 6.3 million refugees. As of May 2019, 18 projects in nine countries have been approved. Since 2016, the Global Concessional Financing Facility (GCFF) has leveraged \$500 million in grants to provide \$2.5 billion to help Jordan and Lebanon address the impact of the Syrian refugee crisis. In April 2019, the GCFF announced support to Colombia to facilitate access to jobs and basic social services for displaced Venezuelans and the communities hosting them.

**SDG 16:** PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES, PROVIDE ACCESS TO JUSTICE FOR ALL, AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS

In addition, by conducting security sector Public Expenditure Reviews, an analytical tool that also provides options on critical forward-looking issues in national defense and criminal justice from a public finance perspective, the Bank Group is helping these sectors become more affordable and sustainable. These reviews have been conducted in 20 countries to date, in close collaboration with the UN, to improve the accountability and effectiveness of security services.

On Target 16.4, the Bank Group is spearheading efforts to reduce illicit financial flows and the recovery of stolen assets through country-level support

for addressing money laundering. We are supporting National Assessments of Money Laundering and Terrorism Financial Risks across all regions.



People using computers in an internet cafe  
in Kampala, Uganda.  
Arne Hoel / World Bank.





## SDG 17

# Means of Implementation (Capacity Building and Data)

The financing components of SDG17 are explored in pages 19 – 27, but financing alone is not enough. Strong data and capacity building for implementation are also critical for the success of the SDGs.

The World Bank Group promotes capacity building, partnerships, and knowledge sharing for SDG delivery through a range of initiatives.

- ▶ The Open Learning Campus (OLC) provides a range of learning resources and helps transform knowledge into actionable learning for Bank Group clients and staff. The OLC engages with our Global Practices, helping package learning to achieve the SDGs across all areas of work and engagement.

With over 6,000 digital learning programs reaching global learners in 190 countries, the OLC is a learning ecosystem that is open, interactive and networked. It leverages the vast knowledge of the Bank Group and its partners to support effective development.

- ▶ The Bank Group remains committed to the High-Level Political Forum and the National Voluntary Review processes by helping client countries scale up finance and strengthen development planning, including through National Development Plans (NDPs). We are helping countries develop and execute financing for their NDPs and strengthen their capacity to implement them.

## CLOSING THE SDGS FINANCING GAP

- ▶ The South-South Facility enables the sharing of development experiences and best practice among our client countries through knowledge exchange, in line with target 17.6. The 24 grants in its portfolio support achievement of almost all SDGs. Recent examples include: i) Enhancing Institutionalization of Participatory Local Development and Service Delivery in West Africa, which is supporting responsive, inclusive, participatory, and representative decision-making under SDG 16.7; and ii) Building a skilled workforce in Tunisia by strengthening capacities for a new Technical Vocational Education and Training strategy, promoting the number of youth and adults who can access skills for employment, decent jobs and entrepreneurship under SDG 4.4.
- ▶ The Global Delivery Initiative brings together partner organizations to create an evidence base of operational know-how, so that practitioners can deliver interventions that result in transformational change. Launched in 2015, it includes over 40 organizations, including UN agencies, development institutions, implementing agencies, NGOs, private sector organizations, and academic institutions. Work includes operational case studies to help practitioners better understand how programs are addressing challenges and bottlenecks across a range of sectors

and SDGs, including food security, education, water, and climate action. The initiative draws on historical data and uses text and data analytics to help practitioners identify the delivery challenges that programs are likely to confront. Practitioners across government and the development sphere are better connected, helping them draw on global operational knowledge and experience to develop tailored, locally contextualized solutions.

- ▶ Massive Open Online Courses. The Bank Group has launched its third free MOOC, Unlocking Investment and Finance in Emerging Markets and Development Economies, in June 2019. It has delivered two MOOCs on Financing for Development, with 49,000 registered participants from 198 countries and territories from client and donor governments, international organizations, the private sector, and NGOs.

The Bank Group also plays an important convening and thought leadership role, bringing together and facilitating collaboration across MDBs, the UN, governments, the private sector, civil society, academia, and public policy institutions. For example:

- ▶ The Development Finance Forum. The Bank Group's flagship policy event annually brings together investors, policymakers, and thought leaders from

around the world to forge partnerships and identify actions to increase private sector investment and job creation in low-income countries.

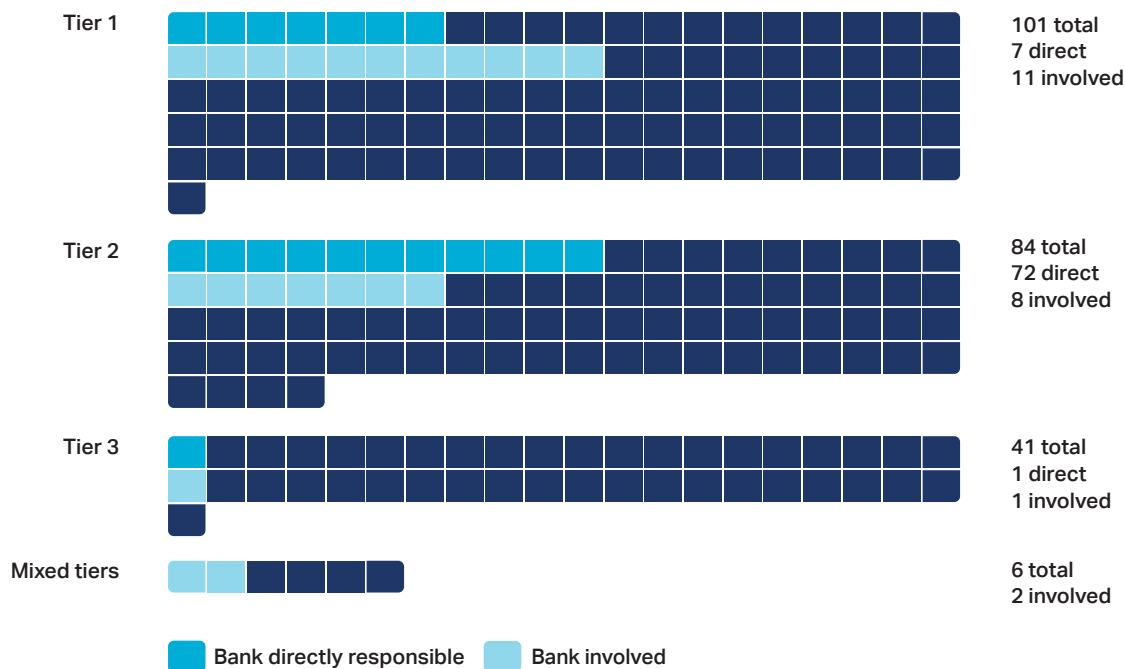
- ▶ The Global Infrastructure Forum. The forum is a collaborative platform helping MDBs and investors scale up infrastructure financing in support of the SDGs.
- ▶ Knowledge and data platforms for investors. The World Bank hosts platforms and releases publications that enable greater information-sharing, such as the PPP Investment Database, the *Doing Business* report, and the *Procuring Infrastructure Public-Private Partnerships* report.

There are also key Bank Group initiatives in support of data and statistical capacity building.

- ▶ SDG-related indicators can be explored in the SDG Dashboard, which uses World Development Indicator (WDI) data and our Data Bank. The dashboard provides charts, distributions, and analyses that allow users to explore specific goals, targets, or indicators, and to access comprehensive country snapshots, which show how an economy is performing across the 17 goals. Users can also explore country trends and regional distributions through custom WDI database inquiries.

- ▶ The Atlas of Sustainable Development Goals presents a visual guide to key SDGs. Developed by World Bank experts, it uses engaging charts and maps to support understanding of the progress achieved. It draws on data from the WDI and explores new data from researchers in areas where standards for measuring SDG targets are still being developed.
- ▶ To support real-time data for the SDGs, the World Bank has partnered with the UN Statistics Division, the Sustainable Development Solutions Network, and the Global Partnership for Sustainable Development Data alongside government, private sector, academic and civil society networks. We are leveraging new technologies paired with existing sources and methods to deliver robust and timely data to help achieve the SDGs. The Real-Time Data for the SDGs Initiative aims to improve accessibility of methods for data production and analysis, build technical coalitions and capacity, and catalyze national data innovation partnerships.
- ▶ The Bank Group participates as an observer in the Inter Agency Expert Group on SDG Indicators, which defines the indicators to measure SDG progress. The Bank is a custodian or co-custodian (with other agencies) for 20 indicators, as well as a

How is the World Bank involved in monitoring SDG indicators?



Source: UN IAEG-SDG and World Bank SDG Indicators Group.

partner in the development and monitoring of an additional 22 indicators (see above). These cover a range of topics including poverty and inequality, social protection, gender equality, financial access, remittances, health, energy, infrastructure, and others. Within the World Bank, the SDG

Indicators Group, with subject matter experts from across different thematic groups, provides technical input to the Inter-Agency Expert Group on SDG indicators and reports on indicator estimates for which we are responsible.



## FINANCING SDG17

# The World Bank Group Partnership Fund for the SDGs

The Partnership Fund for the **Sustainable Development Goals** was established to promote best practices and knowledge sharing for implementation of the SDGs as part of the 2030 Agenda for Sustainable Development. It responds to growing demand for small, strategic initiatives that drive the achievement of SDG17 on the means of implementation.

To date, the Partnership Fund has financed 18 activities led by Bank Group teams, in partnership with over 100 partners from UN agencies, the public and private sectors, academia, and other stakeholders. Activities cover a broad range of sectors and are designed to help governments and institutions around the world reach the global goals.

The fund has three core objectives: 1) Build capacity and awareness among development actors and institutions implementing the SDGs, 2) Develop analytical tools to solve global SDG challenges, and 3) Promote multi-stakeholder partnerships.

Examples of proposed projects:

- ▶ An Investment Matching Platform for Refugee Communities in FCV Countries in Jordan
- ▶ Disability Data Generation and Management to Promote Disability-Inclusive SDG Implementation in Ghana and Nigeria
- ▶ Trainings to Promote Gender Diversity in Global Business Leadership in East Asia and Pacific
- ▶ Multi-Stakeholder Solutions to Support Peace and Inclusion in Canada, Indonesia, Jordan, Korea, Liberia, Sierra Leone, Sweden, Tunisia, and Timor-Leste
- ▶ Alternative Credit Reporting Data to Enable Access to Credit for Marginalized Communities in South Africa
- ▶ An SDG Accelerator Toolkit in Egypt, Kazakhstan, and Vietnam

# Annex: Abbreviations

<b>AAAA</b>	Addis Ababa Action Agenda	<b>DRM</b>	Domestic Resource Mobilization
<b>AfDB</b>	African Development Bank	<b>ESMAP</b>	Energy Sector Management Assistance Program
<b>AFD</b>	Agence Française de Développement	<b>ESS</b>	Environmental and Social Standard
<b>AIMM</b>	Anticipated Impact Measurement and Monitoring	<b>ESG</b>	Environmental, Social and Governance
<b>ADB</b>	Asian Development Bank	<b>EUR</b>	Euro
<b>AIIB</b>	Asian Infrastructure Investment Bank	<b>EU</b>	European Union
<b>AUD</b>	Australian dollar	<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>CAD</b>	Canadian dollar	<b>FFD</b>	Financing for Development
<b>CRP</b>	Cities Resilience Program	<b>FLW</b>	Food loss and waste
<b>CoP</b>	24th Conference of the Parties to the UN Framework Conventions on Climate Change	<b>FCV</b>	Fragility, Conflict and Violence
<b>DRC</b>	Democratic Republic of the Congo	<b>GBV</b>	Gender-Based Violence
<b>DFID</b>	Department for International Development, UK	<b>GAP</b>	Global Action Plan
<b>DFIs</b>	Development Finance Institutions	<b>GAFSP</b>	Global Agriculture and Food Security Program
		<b>GCF</b>	Global Concessional Financing Facility

<b>GEF</b>	Global Environment Facility	<b>IDA</b>	International Development Association
<b>GEMI</b>	Global Environmental Monitoring Unit	<b>IFAD</b>	International Fund for Agricultural Development
<b>GFF</b>	Global Financing Facility	<b>IFC</b>	International Finance Corporation
<b>KNOMAD</b>	Global Knowledge Partnership on Migration and Development	<b>IFIs</b>	International Financial Institutions
<b>GPSC</b>	Global Platform for Sustainable Cities	<b>IMF</b>	International Monetary Fund
<b>GWSP</b>	Global Water Security and Sanitation Partnership	<b>IPCC</b>	International Panel on Climate Change
<b>GWP</b>	Global Wildlife Program	<b>IUCN</b>	International Union for Conservation of Nature
<b>GHG</b>	Greenhouse Gas	<b>IBM</b>	Iterative Beneficiary Monitoring
<b>GDP</b>	Gross Domestic Product	<b>J-CAP</b>	Joint Capital Markets Program
<b>HLPW</b>	High Level Panel on Water	<b>JMP</b>	Joint Monitoring Program for Water Supply, Sanitation and Hygiene
<b>HLPF</b>	High Level Political Forum	<b>MOOC</b>	Massive Open Online Course
<b>HCP</b>	Human Capital Project	<b>MTRS</b>	Medium-Term Revenue Strategy
<b>ICT</b>	Information and Communication Technology	<b>MoU</b>	Memorandum of Understanding
<b>IADB</b>	Inter-American Development Bank	<b>MDBs</b>	Multilateral Development Banks
<b>IBRD</b>	International Bank for Reconstruction and Development	<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>ICSID</b>	International Centre for Settlement of Investment Disputes	<b>NDC</b>	Nationally Determined Contributions
<b>ICRC</b>	International Committee of the Red Cross	<b>NDPs</b>	National Development Plans
<b>ICCWC</b>	International Consortium on Combating Wildlife Crime	<b>NGO</b>	Non-Government Organization
		<b>OLC</b>	Open Learning Campus

## CLOSING THE SDGS FINANCING GAP

<b>OECD</b>	Organization for Economic Co-operation and Development	<b>UN</b>	United Nations
<b>PEF</b>	Pandemic Emergency Financing Facility	<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>PES</b>	Payment for Environmental Services	<b>UNDESA</b>	United Nations Department of Economic and Social Affairs
<b>PPIAF</b>	Public Private Infrastructure Advisory Facility	<b>UNDP</b>	United Nations Development Program
<b>PPP</b>	Public-Private Partnership	<b>UN ECOSOC</b>	United Nations Economic and Social Council
<b>RERS</b>	Rapid Emergency Response Survey	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>RPBA</b>	Reconstruction and Peacebuilding Assessment	<b>UNEP</b>	United Nations Environment Program
<b>RAMP</b>	Resource Advisory and Management Program	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>RMS</b>	Results Measurement System	<b>USD</b>	United States dollar
<b>SUN</b>	Scaling Up Nutrition	<b>UNICEF</b>	The United Nations Children's Fund
<b>SME</b>	Small and Medium Enterprise	<b>UHC</b>	Universal Health Coverage
<b>STEM</b>	Science, Technology, Engineering and Mathematics	<b>WDI</b>	World Development Indicator
<b>S4YE</b>	Solutions for Youth Employment	<b>We-Fi</b>	Women Entrepreneurs Finance Initiative
<b>SCF</b>	Standing Committee on Finance	<b>WFP</b>	World Food Program
<b>SWIFT</b>	Survey of Well-being via Instant Frequent Tracking	<b>WHO</b>	World Health Organization
<b>SDG</b>	Sustainable Development Goal	<b>WWF</b>	World Wildlife Fund
<b>SuM4All</b>	Sustainable Mobility for All		
<b>SEK</b>	Swedish krona		





