



Written by [Peter Rykowski](#) on July 8, 2026

World Bank “Retires” Climate-finance Target After U.S. Pressure

The World Bank announced on June 29 that it will abandon its climate-finance target following pressure from the United States to do so.

In a [press release](#), the bank announced that although it would “extend the Climate Change Action Plan (CCAP),” it would “retire the 45% climate co-benefits target and the 35% target in the CCAP.”

Under the World Bank’s “climate co-benefits target,” it was required to direct at least 45 percent of its financing to support projects with “climate co-benefits.” In fiscal 2025, [48 percent](#) of the bank’s actual financing, or \$39.2 billion, went toward such projects. The bank’s CCAP, [first adopted](#) in 2016, requires renewal every five years.



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Pressure From America

The World Bank’s decision came amid heavy pressure from the United States to drop the target. The *Financial Times* [reports](#):

The decision came after months of negotiations. European shareholder nations, alongside many developing client countries, had argued for retaining the target and saving the climate action plan, while the US — which holds effective veto power and the largest controlling vote at the World Bank — pushed for their demise.

In an internal memo to staff, World Bank president Ajay Banga said the development lender’s “work on climate is and will remain firmly client-driven, supporting them in delivering on their own ambitions”.

But an official close to the talks said “the optics are terrible”, adding that countries were forced “to find a way to accommodate the voodoo science of the United States”.

Despite the World Bank’s announcement, it noted in its press release that it would “continue to track and report on ... net greenhouse gas (GHG) emissions and ... beneficiaries with enhanced resilience to climate risks,” as well as “report to the Board on progress, including on climate co-benefits.”

In an [April 2026 speech](#), Treasury Secretary Scott Bessent called for “jettisoning the World Bank Group’s 45% climate finance target that breeds inefficiency, distorts economic decision making, and moves the Bank away from its core mission.” He also asserted that President Donald Trump’s administration would push both the World Bank and the International Monetary Fund (IMF) to



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“effectively [fulfill] their core mandates” rather than pursue various forms of social activism.

Need to Withdraw Entirely

Despite the Trump administration’s pressure on both the World Bank and IMF, it has directly ruled out exiting the global bodies. In an [April 2025 speech](#), for example, Bessent called for “deeper collaboration” and “expand[ing] U.S. leadership in international institutions like the IMF and World Bank.”

Although the administration should be commended for pushing back against the World Bank’s and IMF’s climate activism, it ought to withdraw the United States entirely from those and other international financial organizations.

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