

Bank Information Center/Friends of the Earth/  
Institute for Policy Studies/  
International Rivers Network/Oil Change International

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Contact: Peter Bosshard in Singapore  
+1 510 213 1438 peter@irn.org  
Tim Kingston in California:  
+1 510 848 1155 tim@irn.org

## **World Bank Energy Framework Sells Climate and Poor People Short – NGOs**

(Singapore) The World Bank's promise to seriously support alternative energy sources remains unfulfilled, according to a new report published today to coincide with the World Bank's annual meeting. The report, published by international environment and development organizations, concludes that the World Bank's new Investment Framework on Clean Energy and Development will not be effective at combating climate change and expanding energy access for the poor. The report will be available at: [www.ifwatchnet.org/documents/index.shtml](http://www.ifwatchnet.org/documents/index.shtml).

The World Bank's Investment Framework presented in Singapore today proposes raising \$10 billion for conventional energy technologies, while selling renewable sources of energy short. The World Bank Investment Framework is a response to a mandate from the G-8 summit in Gleneagles in 2005. It aims to increase access to energy in developing countries, reduce greenhouse gas emissions in the energy sector, and assist developing countries to adapt to climate change.

Instead of combating climate change, the World Bank Investment Framework promotes coal-fired power, nuclear power and large hydropower projects. The World Bank also proposes setting up a new \$10 billion fund to bring down the costs of conventional energy technologies that have lower greenhouse gas emissions. Yet a continued focus on fossil fuel technologies will neither bring about the required shift to a carbon-free development path, nor bring energy services to the 1.6 billion people who have no access to modern energy and often live far away from electric grids.

As they launch their critique of the World Bank's Investment Framework in Singapore, environment and development organizations call on governments and financial institutions to take the following steps:

- End public subsidies for fossil fuel projects;
- Step up efforts to meet the basic energy needs of the poor; and
- Redirect existing dirty energy financing to renewable technologies and energy efficiency projects via a new Renewable Energy for Development Agency.

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Supporting statements:

“Poor communities in developing countries are already paying the highest price of climate change, living with the impacts of heavy droughts and floods”, said **Pantoro Tri Kuswar of Friends of the Earth Indonesia/WALHI**. “The World Bank’s focus on fossil fuel projects will not bring electricity to the poor. Instead, the Bank’s proposals will lead to more pollution, conflict and corruption and do little to stop climate change.”

“In continuing to lend for fossil fuel and dam projects, the World Bank has consistently missed the social and environmental double dividend that renewable energy technologies could bring”, said **Peter Bosshard of International Rivers Network**. “The Bank’s continued support for fossil fuel projects will sell poor people and the climate short.”

“If the World Bank wants to be a positive force in the fight against climate change then the first step is to stop subsidizing the expansion of the oil industry,” said **Graham Saul of Oil Change International**. “You can’t actively subsidize fossil fuels and effectively fight climate change at the same time. It’s a disgrace that public institutions like the World Bank are using aid money to prop up oil companies that are already the most profitable companies in the world.”

“As long as the World Bank hides the staggering greenhouse gas emissions in its portfolio, while profiting from commissions on carbon credits, its carbon trading schemes are nothing but a shell game,” said **Daphne Wysham of the Institute for Policy Studies**.

“Being dominated by Northern polluters, the World Bank is an inappropriate institution to lead global efforts to combat climate change”, said **Bruce Jenkins of the Bank Information Center**. “Rich countries should channel any additional resources for energy sector development through a new Renewable Energy for Development Agency.”

Further information:

Peter Bosshard, International Rivers Network (currently in Singapore), +1 510 213 1438

Bruce Jenkins, Bank Information Center (in Washington DC), +1 202 329 6875

Graham Saul, Oil Change International (currently in Singapore), +1 613 558 3368

Daphne Wysham, Institute for Policy Studies (in Washington DC), +1 301 573 2468

Elizabeth Bast, Friends of the Earth US (in Washington DC), +1 202 641 7203

Pantoro Tri Kuswar, Friends of the Earth Indonesia/WALHI +62 811 38 32 70

***How the World Bank’s Energy Framework Sells the Climate and Poor People Short, September 2006, published by the Bank Information Center, Bretton Woods Project, Campagna per la Riforma della Banca Mondiale, CEE Bankwatch Network, Friends of the Earth, Institute for Policy Studies, International Rivers Network, Oil Change International and Urgewald, available at: [www.ifivatchnet.org/documents/index.shtml](http://www.ifivatchnet.org/documents/index.shtml).***