



October 23, 2024

Dear World Bank Governor:

On behalf of The Climate Reality Project and our millions of advocates worldwide, we urge you to push the World Bank Group (WBG) to stop funding all fossil fuels and invest in just clean energy to lead the world toward meeting our Paris Agreement goal of limiting global warming to 1.5 degrees.

We believe the WBG is uniquely positioned to drive the global system change we need to meet the climate challenge. We applaud the meaningful commitments the WBG has made under President Ajay Banga on climate finance and ending poverty on a “livable planet.” Especially the WBG's commitment to increase funding for climate-related projects to 45% of its total financing and to balance mitigation and adaptation lending.

While we welcome these steps, the magnitude of the climate crisis demands that the WBG increase the scale and urgency of its efforts immediately. We strongly support the WBG's continued progress on translating the Evolution Roadmap into effective policy and urge use of the 2024 Annual Meetings to advance the following reforms to catalyze sustainable development and ambitious climate action worldwide.

Specifically, we urge you to take four key steps:

- 1. Add all fossil fuels to a list of excluded expenditures for borrowers and establish required audits with independent verification for transparency.** The exclusion list must be part of the legally binding financial agreement between the WBG and the borrower. This would be a major step and a clear political signal to avoid support for fossil fuels, especially through indirect lending instruments such as development policy lending and financial intermediaries. Any new fossil fuel development or infrastructure will lock in planet-warming emissions for decades while potentially saddling Global South nations with expensive assets soon to be stranded by global energy transition.
- 2. Permanently increase funding for climate purposes to at least 50% of total annual financing and expand fair and accessible credit for climate vulnerable nations.** Other multilateral development banks have already met this threshold and the WBG should follow suit. To mobilize untapped resources and build trust, the WBG should make major efforts to reach full transparency for its climate finance. As a key part of this effort, the WBG should set ambitious targets for 2025 and 2030 for increasing climate finance (and concessional finance) within the overall portfolio. Priority grants and lending should be based on accelerating the transition away from fossil fuels and critical adaptation needs this decade.

Funding should be split equally between real mitigation and adaptation efforts, based on priority systems highlighted in the 2021–2025 Climate Change Action Plan, enhance resiliency, and not increase emissions. Funding should prioritize grants, and credit should be low cost and open to all countries in need. This approach will help avoid locking climate-vulnerable countries into crippling debt payments that prevent them from fully recovering and rebuilding after climate disasters and trap many in desperate cycles of poverty.

3. **Commit to funding International Development Association (IDA) replenishment at levels that align with a 1.5 degrees pathway.** This funding is key to supporting climate-vulnerable countries with adaptation and mitigation needs and advances WBG’s mission. Grant funding should be prioritized and followed by highly concessional lending. All measures should be taken to avoid additional indebtedness by receiving country.
4. **Commitment to citizen-driven accountability and remedy.** The WBG must increase efforts to strengthen its existing independent complaints’ mechanisms to identify and learn from unintended negative impacts of funded projects. It must also commit to a people-centered remedy framework to redress unintended harm. This is critical not only to ensure just and sustainable development, but also to build trust in and support for the WBG's mission and work.

With the 10-year anniversary of the Paris Agreement fast approaching, our window of opportunity for realizing the goals set there is narrowing by the day. Decisive action by the World Bank Group can help galvanize nations and other financial institutions to make bold commitments in pivotal finance negotiations at COP 29 in November, enabling rapid clean energy buildout and climate action at a critical time.

Please continue your efforts to increase public climate finance and access at the 2024 Annual Meetings. There is no time to waste.

Sincerely,

African Climate Reality Project
The Climate Reality Project Australia & Pacific
The Climate Reality Project Brazil
The Climate Reality Project Canada
The Climate Reality Project Europe
The Climate Reality Project Indonesia
The Climate Reality Project Japan
The Climate Reality Project Latin America
The Climate Reality Project Philippines
The Climate Reality Project United States