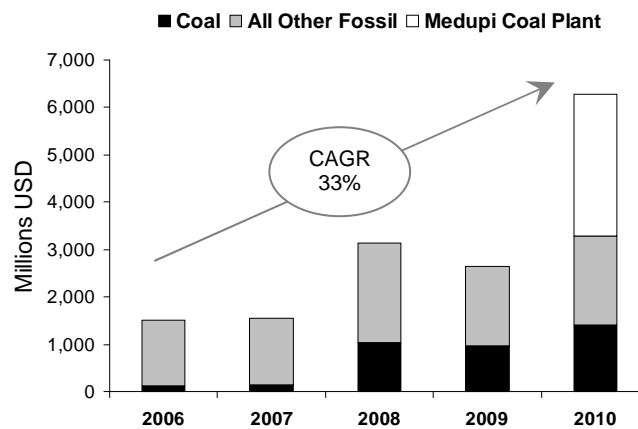


World Bank Energy Strategy Review Fact Sheet

Funding Transformation or Propping up the Past?

The World Bank Group is revising its Energy Strategy, which serves as a guide for the institution's energy investments. To be effective in fighting poverty as well as reducing global warming and environmental impacts, the World Bank's Energy Strategy, which is currently being drafted, must make clear commitments to increase energy access for the poor, transition developing countries to low-carbon fuels, and only support large hydropower projects if they meet stringent guidelines. However, despite pro-poor, pro-climate rhetoric the Bank's financing suggests different priorities.

World Bank Fossil Fuel Lending



- **400% Increase in Fossil Fuel Lending in 5 years:** From FY 2006-10, World Bank lending for fossil fuels increased from \$1.5 billion to \$6.2 billion.¹
- **70% of FY2010 Record Fossil Fuel Lending for Coal:** \$4.4 billion of the World Bank's record fossil fuel lending FY 2010 went to coal projects alone.²
- **0% of Projects Ensure Energy Access:** According to Oil Change International, of 26 independently reviewed projects for FY 2009 and 2010, not a single project had the specific aim of ensuring energy access for the poor.³

¹ Mainhardt-Gibbs, Heike, "World Bank Group Energy Sector Financing Update," November 2010.

² Mainhardt-Gibbs, Heike, "World Bank Group Energy Sector Financing Update," November 2010.

³ Mainhardt-Gibbs, Heike and Elizabeth Bast with Stephen Kretzmann, "World Bank Group Energy Financing: Energy for the Poor?" Oil Change International, 2010.

Clean, Decentralized Renewable Energy is the Best Option for Increasing Energy Access

The reality is that centralized fossil fuels simply don't make economic, social, or environmental sense for rural areas of the developing world. It's time that international financial institutions like the World Bank began funding innovation for the poor, rather than enabling a 19th century fuel to power a 21st century world. In order to ensure universal access to electricity by 2030, this lending pattern must be reversed.

- **1.2 Billion People Will Lack Access to Electricity in 2030:** According to the IEA, pursuing the failed mode of centralized coal powered electricity generation will only lower the un-electrified population from 1.4 billion today to 1.2 billion in 2030.⁴
- **\$40 Billion Spent Annually for Dangerous Fuel Based Lighting:** According to the Lawrence Berkeley Laboratory, \$40 billion is spent worldwide each year on dangerous fuel based lighting such as kerosene. Fuel based lighting represents 20% of annual lighting expenditure globally, but it offers only 0.1% of global lighting services received.⁵
- **70% of Rural Areas Could Be Powered by Decentralized Renewable Energy:** For universal energy access to be achieved, the IEA predicts that 70% of rural areas in the developing world would rely on decentralized renewable energy systems.⁶

Requirements of a Strong World Bank Energy Strategy

To be effective in fighting poverty and reducing global warming and environmental impacts, the World Bank's updated Energy Strategy must:

- **Support energy services for the poor that are clean, reliable and sustainable by:**
 - Providing the Rural Poor with Affordable Off-Grid Renewable Energy Options
 - Facilitating the Poor to Use Energy Services Productively
 - Assisting in Developing Local Energy Markets and Rural Entrepreneurship
- **Commit to a transition towards zero/ultra-low-carbon development by:**
 - Stopping Fossil Fuel Lending Unless it is Solely for Energy Access For the Poor
 - Assisting in Improving Energy Efficiency and Conservation
 - Diversifying Energy Supply by Increasing Deployment of Renewable Energy Technologies
- **Only support large hydropower projects if they have been selected through a comprehensive options assessment process and comply with the recommendations of the World Commission on Dams.**

⁴ International Energy Agency, "How to make energy access universal?" Special Excerpt from World Energy Outlook 2010.

⁵ Mills, Evan. "The Specter of Fuel Based Lighting." 2005

⁶ International Energy Agency, "How to make energy access universal?" Special Excerpt from World Energy Outlook 2010.