



Department  
for International  
Development



Harriett Baldwin MP  
Minister of State

Supporters of the ending World Bank energy  
restrictions campaign

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Thank you for writing to the Department for International Development (DFID) regarding coal investment restrictions by the World Bank. I am responding as the Minister who leads on this area for DFID.

I agree that electricity is important for economic development and poverty reduction. Approximately 1 billion people around the world do not have access to electricity. This limits the opportunities for businesses to grow and for people to earn more income as a path out of poverty. I am pleased to say that over the last six years UK Aid provided 17 million people with improved access to clean energy.

DFID works with the World Bank to help countries secure the affordable, reliable, and sustainable energy needed to end poverty and promote shared prosperity. The World Bank has helped deliver new and improved electricity to millions of people, often using renewable energy. The World Bank is responding to the global challenge of balancing energy for development with its impact on climate change.

DFID's priority is to help developing countries establish a secure and sustainable energy supply, supporting economic growth and poverty reduction. We will continue to work with the World Bank to achieve these aims, recognising that countries need to use a mix of energy sources including renewable energy and cleaner fossil fuels such as natural gas.

The World Bank Group (WBG) is focusing investment on low carbon, sustainable sources of power generation. It does not finance new coal-fired power plants, though it has reserved the right to invest in such projects in rare circumstances such as meeting basic energy needs in countries with no feasible alternatives. The UK Government supports this approach, and will only consider proposals for coal-fired power projects in the world's poorest countries and only where no other economically feasible alternative exists.

The UK Government recognises that carbon capture, usage and storage (CCUS) technology could play a role in mitigating global emissions in future. The World Bank does not currently provide direct finance to projects with CCUS as the technology is still at the research phase and for poor countries, other energy options such as natural gas and renewable energy are currently more economically viable.

However, the World Bank has supported the development of CCUS technology through knowledge and capacity building projects through its Carbon Capture and Storage (CCS) Trust Fund.

Thank you again for taking the time to write about this important issue and I hope this response is helpful.

**HARRIETT BALDWIN**