



Department
for International
Development



Harriett Baldwin MP
Minister of State

Supporters of the World Bank Energy Justice
Campaign

Our ref 181796

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Dear Supporters

Thank you for contacting DFID to set out your concerns about World Bank restrictions on developing countries borrowing for large-scale power infrastructure.

The Multilateral Development Banks (MDBs), including the World Bank, play a central role in global efforts to support development and tackle climate change in pursuit of the Sustainable Development Goals agreed by the international community. The World Bank seeks to ensure that countries have access to affordable, reliable and sustainable energy for all, which is central to delivering on its mandate to end poverty and boost shared prosperity. It has a proven track record of delivering results, directly contributing to new and improved electricity access for more than 81million people between July 2014 and June 2017.

In support of this, the World Bank Group (WBG) is focusing on low carbon sources of power generation and does not finance new coal-fired power plants. After 2019, the WBG has indicated that it will no longer finance upstream, largely extractive, oil and gas investments, though it has reserved the right to invest in such projects in exceptional circumstances where there are no feasible alternatives to meet basic energy needs and to ensure energy access to the poor. It will continue to support downstream natural gas projects to expand access to energy for the poor and help countries make the transition more quickly to renewables, including through displacing carbon-intensive coal. The UK Government supports this approach.

The UK Government continues to work closely with the WBG to identify opportunities for UK businesses to participate in contracts and share their expertise in support of our international development objectives. It agrees that reducing coal-fired energy production through carbon capture, usage and storage (CCUS) is likely to play a role in mitigating global emissions in future and is working to demonstrate the viability of this technology. The World Bank does not currently provide direct finance to projects with CCUS as the technology is still at the research phase. However, it has supported the development of CCUS technology through knowledge and capacity building projects through its World Bank's Carbon Capture and Storage (CCS) Trust Fund.

Thank you for writing on this important matter. I hope this response addresses your concerns.

HARRIETT BALDWIN