

## World Bank Group/IMF Annual Meetings 2023 - Wrap-Up

**The demand for systemic change outside the World Bank Group and IMF meetings in Marrakech was palpable.**

The movement for change is growing and getting stronger. What was significant at the Annual meetings in Marrakech was the mobilisation of civil society outside the main meetings. This time African civil society and organisations from across the globe mobilised for a new global financial system that would address historical injustices of extractivist models of development, of climate impacts and unfair debt burdens. Together with the Big Shift Global Campaign, we demanded democratically accountable and responsive financial systems that support just and sustainable development for all.

Recourse was proud to facilitate the engagement of partners representing civil society in Africa, Asia and Latin America. Half of our delegation were women, reflecting Recourse’s commitment to promoting gender equity in public financing. Together we worked to raise our shared concerns in forums inside and outside the main World Bank and IMF proceedings.



With the Annual Meetings happening on the African continent, our partners Dean Bhebhe of Power Shift Africa and Don’t Gas Africa and Lorraine Chiponda of Africa Movement of Movements called on the World Bank Group and IMF to address African demands by putting climate resilience, a people-centred green transition and financial reforms at the centre of discussion.

But decisions in Marrakech did not result in urgent action to make finance responsive to African needs, including debt restructuring. Neither has it been successful in enabling increased non-debt creating finance for sustainable renewables to address energy poverty.

World Bank Group President Ajay Banga at the 2023 Annual Meetings Plenary, on 13 October 2023, said that *“We must find a way to finance a different world where our climate is protected, pandemics are manageable – if not preventable – food is abundant, and fragility and poverty are defeated.”* But the solutions offered do not respond to the nature of the climate and development crises:

The [vision](#) of the **World Bank’s Evolution Roadmap (now Playbook)** ‘To Create a World Free of Poverty on a Livable Planet’ was endorsed, but it has failed to deliver the transformational change demanded by civil society. The Evolution Playbook could have been an opportunity to shift away from the concept of growth at any cost. But that hope has been dashed in favour of a “private sector-led first” approach that does nothing to address the historical injustices experienced by countries on the frontline of the climate crisis.

### Paris alignment:

The Playbook mentions that the World Bank Group will “remain Paris aligned” and have an appropriate balance between adaptation and mitigation. But Recourse remains



concerned that [Paris alignment itself does not go nearly far enough](#). Paris alignment only completely rules out support for coal and peat. There is also evidence of how IFC support through financial intermediaries is [still financing coal](#) and does not rule out support for [captive coal](#) (coal for industrial use). The Playbook also uses the contested language of “phase down” instead of phase out of fossil fuels.

Additionally [Paris alignment continues to allow for the use of gas](#), and this has helped to contribute to a massive global dash for gas and LNG, that is not only crowding out finance for the renewable energy transition, but is locking countries into a fossil fuel model of development based on methane – a highly toxic greenhouse gas that causes significant health and environmental damage.

[Women and their communities](#) have also experienced landlessness, water pollution, and food insecurity as a result of publicly-funded fossil gas projects. Our partner Izzah Batool of Indus Consortium shared that the [IFC-backed Engro Qadirpur gas power plant in Ghotki, Pakistan](#) did not bring access to energy to women living in communities near the facility and are suffering from health impacts of the air and water pollution from the fossil gas plant’s operation.

Julia Gerlo of Fundación Ambiente y Recursos Naturales (FARN) shared the [impacts of fracking in Vaca Muerta](#), Argentina where communities did not get energy access from the project and are suffering from water pollution and the earthquakes that damage their homes.



*“The World Bank Group cannot say that it is promoting gender equality on the one hand, and then continue supporting fossil gas projects that worsen climate change and violate women’s and their communities’ rights to land, water, health, food, and a healthy environment. The WBG must instead channel investments towards renewable energy access for women and communities living in poverty and uphold their rights.”*

-Izzah Batool, Indus Consortium, Pakistan

President Ajay Banga, in the Town Hall meeting with civil society, specifically supported the continued support for fossil gas in certain cases, citing the demands from global south leaders to be able to exploit their own natural resources, the need for energy access and for baseload. But building infrastructure for imported LNG will only make countries more reliant on unreliable imports with violently fluctuating prices, that will not enhance their energy security. Sustainable renewable energy is an indigenous resource that can provide access to energy while battery storage can provide necessary baseload for industrial use.

Recourse continues to point to the principle of Common but Differentiated Responsibilities (CBDR) that all Parties according to the UNFCCC 1992, Art 3 para1 should: "protect the climate system for the benefit of present

and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. **Accordingly, the developed country Parties should take the lead in combating climate change and the adverse effects thereof.**"<sup>[1]</sup> This includes funding a rapid transition out of all fossil fuels and into sustainable renewable energy in the Global North and South.



## Financial Intermediary Lending:

During the Townhall Meeting with Civil Society, President Banga highlighted that the World Bank's direct financing for fossil fuels has decreased. However, this does not include indirect financing through financial intermediaries. The investments that the International Finance Corporation (IFC - the Bank's private lending arm) makes via financial intermediaries continue to fund fossil fuels and fall short of the environmental and social standards that public finance institutions should uphold. Throughout the Meetings, we heard claims that the World Bank Group has stopped funding coal - our research, published earlier this month with IDI, suggests otherwise, [highlighting 39 new coal projects funded via the IFC's financial intermediaries](#). Our partners from Indonesia and the Philippines, who work with communities impacted by the IFC's coal support, did an excellent job of highlighting why this practice must come to an end and why Paris alignment won't prevent future coal support.



## Accountability:

The Annual Meetings also represented an opportunity to speak to shareholders about the need for greater accountability and transparency in World Bank Group investments and the need for the IFC to contribute to remedy when it has supported projects that harm communities.

Novita Indri from Trend Asia told Bank staff and shareholders of the devastating impacts of the IFC-backed Java 9 & 10 coal plants, about which Recourse, Trend Asia and IDI submitted a [formal complaint](#) to the IFC ombudsman last month.

Aaron Pedrosa, from the Philippine Movement for Climate Justice, highlighted communities' ongoing struggle for remedy

in the Philippines, and why the IFC should introduce a new framework for remedial action that would see the IFC and its clients provide restitution for the harmful impacts they have inflicted on communities. Hearing these first-hand accounts of harms made a big impact on many at the Meetings, and we hope this results in tangible remedy for communities and lasting systemic change at the IFC.

## Renewable Energy Transition:

During the Annuals the Recourse team also challenged the World Bank Group Executive Directors and Directors on their record on renewable energy phase-in. As our recent research '[Lost in Transition](#)' notes that the scale up of finance for renewable energy has been very slow and inconsistent, with 88% of it being in indebted loans.

We presented three case studies from Indonesia, Chile and Senegal showing the lack of safeguarding in Bank funded huge renewable projects, and our partner Anitha Sampath from Centre for Financial Accountability explained the damage to land rights and employment for women caused by a mega solar PV project in India. The EDs were shocked to hear these projects had no ESG assessment as they were classed as 'green' simply for being renewable. Anitha also proposed an alternative approach for renewable energy in India, through community solar for grid connection. Recourse Advisor Grace Ronoh also explained the value of CSO engagement in the production of Country Partnership Agreements in East Africa, emphasising the need to deliver energy access for off-grid communities.



Our main call is for an increase in grant funding for the renewable energy transition that delivers benefits for local communities, with strong community engagement and safeguarding.

## IMF:

The IMF Board of Governors failed to reform the unequal voting power structure that favours Global North countries at the IMF Board, while the IMF management continues to ignore the systemic nature of the debt crisis that is pushing countries to pay more in debt servicing than in climate action, health or education. Policymakers are failing to come up with innovative solutions to the development and climate crises, and the IMF only suggests market-based solutions such as carbon pricing or reliance on private finance as a solution to raise resources to fulfil climate obligations as shown in Recourse's recent report [Blind Spots – The Green transition and the IMF's Economic Surveillance](#). Recourse will work in the upcoming months to ensure the Climate Change Strategy and Resilience and Sustainability Trust Reviews are fit for purpose.

Julia Gerlo from FARN and Zain Moulvi from Alternative Law Collective raised concerns in various advocacy meetings with IMF Executive Directors on the negative impact current IMF arrangements in their countries are having on their green and just transitions. In the case of Pakistan, a report published by Alternative Law Collective and Recourse [How are the IMF and the World Bank Shaping Climate Policy? Lessons from Pakistan](#) were presented flagging the failure of the institution to support the response to the 2022 floods. In the case of Argentina, the Fund is supporting the expansion of fossil fuel exports to regain debt sustainability, as shown in a [report](#) published by Recourse in 2022.

## CSO Discussion on Transition Minerals:

We gathered a group of around 20 civil society partners and allies to discuss the growing issue of transition minerals for energy transition. The World Bank Group is escalating its Climate Smart Mining Initiative, and launched the Resilient and Inclusive Supply Chain Enhancement [RISE](#) Partnership in response to G7 leaders request.



Recourse's Senior Advisor, Alison Doig, gave an overview of research into transition minerals, and Novita Indri from Trend Asia presented on the IFC supported destructive use of captive coal power in the mining and smelting of nickel, to be used in electric vehicles. Julia Gerlo presented FARN's evidence of the devastation of salt flats in Argentina due to lithium, where the World Bank is currently investing in a new mine.

This is a new area for many of the energy and finance focused CSOs in the room, and the event helped many to understand the issue for future WBG advocacy. Recourse also used this as an opportunity to consult with CSOs to help develop our own position for advocacy to the World Bank Group in the future.

## News reports with Big Shift Global featuring photos or quotes:

- <https://www.thebanker.com/What-s-in-Ajay-Banga-s-new-playbook-for-the-World-Bank-1697214693>
- <https://www.khaleejtimes.com/opinion/the-global-north-must-follow-the-global-souths-lead?amp=1>
- <https://www.dawn.com/news/1780248>
- <https://www.theeastafrican.co.ke/tea/news/rest-of-africa/activists-call-imf-world-bank-worst-scam-of-the-century-4398170>
- <https://www.ntv.co.ug/ug/news/international/-africa-hears-pledges-but-little-action-at-imf-world-bank-talks-4401336>
- <https://www.legit.ng/business-economy/economy/1558476-at-imf-world-bank-talks-small-steps-climate-finance/>
- <http://www.vironewsigeria.com/world-bank-imf-meetings-10-mdb-commit-to-boost-climate-action/>
- <https://www.devex.com/news/world-bank-imf-meetings-a-start-but-still-a-long-way-to-go-106396>
- <https://www.thecanary.co/global/2023/09/14/the-world-bank-wont-stop-financing-fossil-fuel-projects-despite-climate-commitments/>
- <https://www.thebanker.com/What-s-in-Ajay-Banga-s-new-playbook-for-the-World-Bank-1697214693>
- <https://www.japantimes.co.jp/environment/2023/10/13/resources/money-matters-climate-court/>
- <https://www.france24.com/en/live-news/20231009-imf-world-bank-hold-first-meetings-in-africa-in-50-years>