Key takeaways

- **Outcome driven or profit motivated?:** The WBG has moved its Roadmap from ‘evolution’ to ‘implementation’, and there is a lot of enthusiasm across WBG staff and Executive Directors (EDs) for their streamlined, private sector driven approach. The new focus on ‘outcome’ with a streamlined Corporate Scorecard sits in contrast to the drive to leverage private finance, provide concessional finance to private partners, and de-risk private sector engagement. Our ‘Big Bank Theory’ briefing pushes against this approach.

- **Continued fossil fuel investments:** The WBG says it rarely provides finance for fossil gas, but many at the Bank were surprised to see Recourse’s evidence on the multiple ways in which the WBG continue to support fossil gas and coal lock-in — including via project finance, technical assistance, financial intermediaries, development policy finance, and the Multilateral Investment Guarantee Agency (MIGA). We called for the Bank to start an ‘endgame’ for fossil gas.

- **Drive for private renewable projects:** The WBG’s dominant approach for transitioning to renewable energy is via large scale, private sector renewable energy projects, including a drive for fossil hydrogen. We showed evidence that the profit motive of such projects are contradictory to climate action, given their negative impacts on people and planet.

- **Squeezed civil society engagement:** For example, the Civil Society Policy Forum (CSPF) was reduced to just three days, with very limited participation of World Bank Group (WBG) staff in some energy and climate panels, and the regular meeting with WBG Climate and Energy Directors was squeezed to only 1.5 hours.
Key publications

**The Big Bank Theory - Do bigger multilateral development banks mean better development outcomes?**

Our briefing, produced with Christian Aid, The Big Shift Global and Trend Asia, challenges the assumption that a ‘Bigger Bank’ means a ‘Better Bank’. It calls out the Multilateral Development Banks’ (MDBs) current approach of leveraging private sector financing to boost lending capacity – since this risks derailing good development outcomes in pursuit of private profits. The push to be “bolder” undermining accountability standards by delegating financial decision-making authority from government shareholders to MDB management. The approach is also leading to a systematic neglect of the impacts of extractive ‘green’ industries and false solutions, such as fossil gas, in pursuit of grand goals like tripling renewable energy finance by 2030.

We took the briefing to the Spring meetings, to call on the WBG and IMF (International Monetary Fund) to focus on improving the quality and accountability of their financing, rather than the quantity. We also brought an advocacy briefing covering the main topics on the table this year.

**Greening IMF lending - Elusive prospects, mixed evidence**

Our report, published with LSD Senegal, challenges the IMF’s recent engagement with climate issues, through analysis of some initial experiences of the IMF’s Resilience and Sustainability Trust (RST), the financing instrument through which the Fund provides climate finance. With a deep dive on Kenya and Senegal, the report finds concerning evidence of austerity, privatisation, and fossil fuel expansion. We used it to call for a wholesome review of the Fund’s Climate Change Strategy to come up with a more coherent approach to climate policy.

The report followed a powerful opinion piece in Devex by our IMF Campaigner, Federico: "A scorecard for Kristalina Georgieva’s IMF leadership". The newly re-elected IMF Chief scored a shockingly low 7/20 in his examination of four key areas: lending and emergency assistance; climate ambition; overhauling the debt architecture; and governance and quota reform.

**Our delegation: Recourse and partners**

Recourse engaged a diverse group of campaigners and experts from around the world to join us at the Meeting:

- Marjorie Pamintuan, Federico Sibaja, Nezir Sinani and Alison Doig – Recourse
- Aaron Pedrosa – Philippine Movement for Climate Justice, Philippines
- Swathi Seshadri – Center for Financial Accountability, India
Engagement with World Bank Executive Directors

Recourse convened a regular meeting between civil society organisations (CSOs) in The Big Shift Global coalition and five WBG Climate and Energy Directors, along with a MIGA representative for the first time and other senior Bank staff. Our partners gave powerful accounts of the impacts of Bank-funded projects around the world: Dean making the case for ‘Don’t Gas Africa’; Aaron on why coal finance loopholes need to be shut; Hapsari on why technical assistance for gas is problematic in Indonesia; Swathi on why mega solar and green hydro for petrochemical industries in India is not good development; and Leandro on transition minerals and lithium mining in Argentina.

The Directors listened, but still re-enforced the WBG position that gas is needed for transition, asserted the private sector first approach, and defended companies funded by IFC and MIGA who keep their environmental and social management processes confidential for commercial reasons (as has happened recently in the case of lithium mining in Argentina). They invited civil society to feed into WBG thinking as they release methodologies for the new Corporate Scorecard, refresh the Climate Change Action Plan for 2025, and work to standardise climate action and accountability across MDBs.
They also called on us to “stand together to ask for more concessional finance for transition” in the International Development Agency (IDA) replenishment process.

We also requested a follow up meeting on the topic of transition mineral mining, following the WBG’s bland response to a joint CSO letter sent on 11 April calling for extreme caution and due diligence for transition mineral mining. The response, made on behalf of WB President Ajay Banga, made nods of agreement but failed to respond directly to the cases presented.

We also contributed to a regular meeting between European Union (EU) EDs and CSOs, covering issues from transparency and remedy, to IDA replenishment and gender, climate finance and energy. The EU EDs’ current priority is ‘implementation’, i.e. deliver the Corporate Scorecard, streamline project approval, establish a new WBG knowledge bank, deliver $50bn over six years, increase the scale of IDA replenishment, and leverage private sector finance. Drawing on recent evidence, Recourse called for an end to WB spending on fossil fuels, to which EU EDs expressed concern that many southern countries see phase out as a strictly “northern issue”. However, they were aware of long-term lock-in effects and the need for timeframes on domestic endgame. They also showed scepticism about financial intermediaries, but still reiterated the usefulness of this financing route for small and medium enterprises.

Over the week, Recourse and partners met individually with a number of EDs from Europe and the United States, which gave us time to explore partner cases in greater detail and understand perspectives from different country groups on our key issues. At the ED-CSO round table we engaged with EDs from Africa and Asia-Pacific, though there was a notable absence of Directors from India, Indonesia and the Philippines. In discussions with African EDs around energy transition we called for divestment from fossil fuels, notably fossil gas which the Bank continues to fund via financial intermediaries, despite its commitment to end such investments by 2024. We urged for the right approach to renewables, using the example of Senegal’s Just Energy transition Programme (JETP) which has so far been lopsided, underfunded and not achieved the desired outcome. Overall, we urged for stronger accountability mechanisms, transparency, and sensitivity to the needs of the poorest regions, and for the Bank to uphold its commitment to align with the Paris Agreement.

Advocacy on the IMF

Recourse held bilateral meetings with the Australian, UK, French, Austrian and Belgian EDs for the IMF, to discuss the Fund’s increasing role in climate policy, the risks that the ‘business as usual’ approach poses to just transition, and the need for more guidance, accountability and strategic thinking around these. The upcoming RST review was central to our discussions, as while the Fund tries to advance this agenda, it continues to ask countries like Argentina and Senegal to expand fossil fuels.
Together with Climate and Community Project, we organised a two-day workshop on the nexus between debt and climate, with more than 40 participants. This followed three previous virtual meetings with various CSOs and academia members. Discussions focused on the role of international financial institutions (IFIs), dollar hegemony, the need for reparations and recognition of climate and ecological debt, plus the geopolitics around the related policy processes. The workshop provided the opportunity to have longer-term discussions with those organisations that are otherwise involved only in shorter-term policy discussions.

We hosted a CSPF panel on climate-related policy reforms being pushed by the IMF and WB through their policy-based lending, via the RST and Development Policy Financing (DPF), respectively. Staff from both institutions attended to hear civil society members present findings from three reports, and engage in discussions around the rationale of what they are doing.

Engagement with MIGA

We met with three MIGA staff members, to present our analysis on MIGA's energy portfolio which still supports fossil fuel investments, especially gas, as well as large scale renewable energy projects which carry potential social and environmental risks for affected communities. According to MIGA, it only supports fossil gas investments under limited circumstances in line with the Joint MDB Paris Alignment, and supports only companies with good social and environmental governance records. MIGA committed to send written comments to Recourse’s upcoming paper on its energy portfolio.

IFC and accountability

Recourse staff and Aaron Pedrosa met with the Director of the WB’s Compliance Advisor/Ombudsman (CAO), as part of the on-going process of the community complaint filed at the CAO on the negative social and environmental impacts of ten IFC-funded coal power plants in the Philippines. This followed a monitoring trip by CAO at the end of 2023. Aaron expressed the communities’ demands and his hopes that an upcoming WB Board meeting in June will result in a concrete remedial action plan.

For years, Aaron and the Philippines Movement for Climate Justice have been advocating for full and fair remedy for communities harmed by WBG-financed projects, but are continuously disappointed by the institution’s response. He came to Washington for a promised meeting with WB President Ajay Banga, which never materialised. When he raised this case in the meeting with EU EDs, the shocking response was that the IFC must balance the financial risk of providing remedy to communities against having a perfect remedy system.

Recourse and Oxfam organised a strategy meeting to prepare for the upcoming review of the IFC’s Performance Standards (IFC PS), with 20 civil society participants. The review is very important, since the IFC PS have been adopted by several IFIs, including in the Equator Principles. We identified several threats – such as potential watering down of standards on Free, Prior and Informed Consent especially in the context of critical minerals which can be declared as needed for climate/national security – and several opportunities to advocate for additional performance standards on climate change, financial intermediaries, human rights, gender and disability/anti-discrimination/inclusion.

We also hosted two CSPF panels to discuss issues around remedy, responsible exit, and transparency. The panel ‘When Exits and Accountability Collide’ explored the CAO’s recently published study of how and why the IFC exits investments, and how such exits can impact an ongoing accountability process. Panellists gave examples of when the IFC or its client has backed out of a project during a CAO case, without fixing the problems it has caused. The panel ‘Adequate Disclosure, Public Review, and Consultation for Environmental and Social Impacts Before World Bank Financing Decisions’ discussed how the WBG is falling short of its public review and disclosure requirements that apply prior to project financing. Partners Hapsari and Aaron spoke about how the lack of transparency, especially on the disclosure of project documents in IFC’s financial intermediary, led to harm in...
communities in Indonesia and the Philippines. In both countries, IFC intermediaries supported coal-fired power plants that damaged the environment and local livelihoods.

Gas and Paris Alignment Methodologies

The 'Stop Fossil Gas' Convening led by The Big Shift Global Coalition and Recourse gathered more than 20 civil society campaigners. Leaders from Don't Gas Asia, Don't Gas Africa, FARN and GFLAC shared updates from regional and on-the-ground campaigns. Wins include the mobilisations against fossil gas as well as the indefinite postponement of the 2024 European Gas Conference in Vienna as a result of anti-gas actions. Challenges include confronting the 'gas for development' discourse, the urgent need for just energy transition for communities currently dependent on the fossil gas industry, as well as the rise of authoritarian governments. Together, we set up a calendar of key dates and resources for the campaign against fossil gas.

We also joined a CSPF panel with several partners to explore the question 'Is World Bank Lagging on Fossil Fuels?'. Panellists discussed how the WBG’s Paris Alignment, which has loopholes for fossil gas investments, goes against the UN climate conference COP28’s call to transition away from fossil fuels and US President Biden’s pause on LNG that was announced in January 2024.

IDA21 replenishment

This year, the World Bank’s fund for concessional and grant finance, the International Development Association (IDA), will be replenished for the 21st time. The review has seen calls for the biggest replenishment in history. At the CSO-ED round table, WB Directors acknowledged that some of the IDA programmes have not successfully responded to the needs of the vulnerable communities, hence the need to structure IDA21 in a way that works for people living in countries marked by fragility and conflict, many of which are in Africa.

Recourse and Powershift Africa hosted a side event for ‘African Perspectives on IDA21’, in the face of the climate crisis and ever increasing debt burdens across Africa and the Global South. Key needs were identified: more funding for energy transition; fossil fuel exclusion; improved energy access; and better transparency mechanisms to ensure that financial losses due to poor governance in IDA-recipient countries are minimised. We agreed that any IDA funding must not further entrap poor countries into debt, but instead the Bank should double down on a development model that works towards poverty reduction while addressing inclusivity and sustainability.

Banking on Renewables

We held a consultation with The Big Shift Coalition members in preparation for the launch of the ‘Banking on Renewables’ campaign later in 2024. An earlier consultation in March with Global South partners emphasised the need to localise, democratise and de-privatise the energy transition. But this April consultation with more northern groups highlighted contrasting views on scaling-up renewables and raised some conflicts within civil society over, for example, the use of large hydro power or nuclear power to deliver transition. It concluded with a recommendation to focus on what and for who the energy transition should deliver - for women, for youth and jobs, for transformation. The campaign strategy will be developed in the coming months.
Mobilisations and media

Building on the energy and urgency of demonstrations at the October 2023 WB/IMF meetings, civil society also took to the streets this April in Washington DC, to express frustration and make their voices heard outside the meeting halls. The week kicked off on 16 April with a stunt on gas organised by The Big Shift, where campaigners made powerful statements against the WBG’s continued support for fossil gas, including Grace from Recourse, and partners Aaron, Omar, Dean, and Swathi. On 19 April there was a Global Day of Action protest, in which Aaron and Omar denounced the Bank’s fossil fuel investments and their impacts on local communities and the climate.

We were just as busy in the digital media space as we were on the ground in Washington DC, collaborating closely with The Big Shift coalition to get our messages in the media and on social networks. Environews Nigeria covered the coalition’s key demands and protests, on 9 April (“Spring Meetings: World Bank, others urged to shift from fossil fuels to renewables”) and 17 April (“Spring Meetings: Global South activists clamour World Bank gas reforms”), including a quote from Mark Moreno Pascual, Renewable Energy Campaign Lead:

“The ‘bigger and better’ bank framework anchored on the ‘private sector first’ mantra, is misguided and dangerous. Not only is it perilous for people and planet, but it is also a morally bankrupt choice for MDBs.”

We joined The Big Shift’s #GasIsNotGreen digital campaign, and were papped at protest actions and Policy Forum events. We also amplified partner campaigns, such as the call for #DebtCancellationNow by APMDD. Our IMF Campaign Manager, Federico, was interviewed by 350.org on IMF funding fracking in Argentina, following the eye-catching “Frack you IMF!” projection on to the Fund’s headquarters on 16 April.
On X (formerly Twitter), we posted a series of key demands for what a “bigger, better” World Bank would really look like, and saw great engagement on our Big Bank Theory report.

On LinkedIn, we celebrated a letter written by three US Senators to the WB President, as it highlighted our continued concerns about WBG’s indirect finance through financial intermediaries and policy-based lending, and how these forms of finance continue to support fossil fuels.

As the Spring Meeting wrapped up, Recourse Senior Advisor Alison was quoted in The Big Shift’s closing statement:

“Asking the fossil gas industry to engage on decarbonising energy is like asking the arsonist to put out a fire. Yes transition to renewable energy is challenging but it is far more challenging for vulnerable communities to face drought, flood, famine and storms caused by the climate crisis. The WB must stop pretending we can go on with business as usual, and invest in a 100% clean future.”

While Grace, our Africa Finance Campaign Manager, responded to African Arguments’ question on “Climate finance: Did the IMF/World Bank spring meetings move the dial?”:

“Despite these illusions of progress, the IMF and World Bank’s engagement in climate finance for Africa still fails to address the root causes of climate injustice and poverty. To truly support sustainable development and climate resilience in Africa, there is an urgent need for a paradigm shift towards community-led initiatives, debt relief, and genuine partnerships that prioritise social and environmental justice over profit and power.”

Some more media coverage with The Big Shift Coalition:

- Q&A: Climate finance at World Bank and IMF spring meetings 2024, Carbon Brief
- World Bank project aims to connect 300 million Africans to electricity by 2030, African Business
- EBRD president: We must engage with fossil fuel industry to meet methane pledge, The Banker
- Key takeaways from the World Bank-IMF Spring Meetings 2024, Down to Earth
- Two Years to Save the World from Climate Breakdown?, Rosa Luxemburg Stiftung
- Church slams World Bank for funding coal projects in Philippines, Union of Catholic Asian News
- World Bank and IMF Spring Meetings deliver limited progress on climate finance, Business Green