

October 1, 2023

Dear World Bank Governor:

On behalf of The Climate Reality Project and our millions of supporters worldwide, we are writing to urge you – as a senior decision-maker in the World Bank Group (WBG) – to push the WBG to act aggressively on the climate crisis and lead the world in getting on track toward our Paris Agreement goal of limiting warming to 1.5 degrees.

We believe the WBG is uniquely well positioned to lead and drive the global system change we need to meet the climate challenge. The Evolution Roadmap is an excellent starting point and we encourage you to support its adoption.

While more reforms are critical, we strongly support the Roadmap's focus on updating the WBG's mission to support net zero transition, balance sheet optimization, and prioritizing finance for the most climate-vulnerable nations, among other measures.

Still, more must be done to translate the Roadmap into effective policy, and we urge you to use the upcoming annual meeting with the International Monetary Fund to initiate five specific policy reforms that will help catalyze sustainable development and ambitious climate action worldwide.

**First, push for a watertight policy prohibiting any financing – either direct or indirect – for any fossil-fuel development, infrastructure, or promotion.** As the Intergovernmental Panel on Climate Change reports, any new fossil fuel development or infrastructure will lock in emissions that warm the planet beyond 1.5 degrees and accelerate climate devastation. In addition, renewable, clean energy is increasingly the cheapest form of new electricity generation worldwide. Enabling new fossil infrastructure is not only an inefficient use of resources but can saddle Global South nations with expensive assets stranded by the net zero transition.

**Second, increase WBG funding for climate purposes from 35% to 50%.** Today, climate-fueled storms, droughts, and heatwaves are reversing decades of progress in poverty reduction. In this context, WBG cannot advance its goals of ending extreme poverty and promoting shared prosperity in a sustainable way without full support for climate projects. Other multilateral development banks (e.g. the EBRD) have already met this threshold and the WBG should follow suit.

**Third, set a goal for at least tripling financing to \$100 billion annually within five years.** This goal is consistent with the recommendations of the Independent High-Level Expert Group on Climate Finance (encouraged by the presidencies at COP 26 and COP 27), which called for MDBs to triple financing over the next five years as part of an overall effort to mobilize \$1 trillion per year for climate finance by 2030.

**Fourth, expand debt relief measures for climate vulnerable nations.** As the Bridgetown Initiative points out, crippling debt payments prevent climate-vulnerable

countries – who did not cause this crisis – from fully recovering and rebuilding when yet another climate disaster strikes, trapping many in a desperate cycle of poverty.

**Fifth, help scale-up adaptation finance for developing nations and provide guidance on the appropriate mix of financing for mitigation and adaptation purposes.** For instance, the Green Climate Fund aims for parity in allocations between mitigation and adaptation.

There is a narrow window of opportunity for realizing the goals of the Paris Agreement, with the catastrophic flooding in Libya, lethal heatwaves worldwide, and increasing water scarcity across the Global South just a preview of the suffering ahead should we fail.

Given its outsized role in global development and climate finance, the World Bank Group is uniquely positioned to fill the current leadership vacuum and catalyze sustainable, resilient, and inclusive development.

We urge you to lead the way.

Sincerely,

The Climate Reality Project