

World Bank Proposals Support Low-Carbon Technologies And Reductions

The World Bank project to fund cleaner energy projects in some of the world's poorest regions will do little to curb climate change and is unlikely to drive economic growth in those areas, argue its critics. According to the World Bank, an estimated 1.6 billion people do not have access to electricity. In order to see development funding implemented with a focus on sustainable development, the Bank recently released plans for two new funds at the IMF-World Bank meeting in Singapore. The Clean Energy Financing Vehicle proposal consists of low-interest loans and the Clean Energy Support Fund grants. The proposed Clean Energy Financing Vehicle calls for an initial capitalisation of US\$10 billion and both ideas endorse low-carbon technologies and carbon emission reductions. The World Bank says it has invested \$1.4 billion, or nearly three times as much as planned, in energy efficiency and renewable energy since 2004. But environmental groups argue the Bank should be promoting the use of renewable energy over traditional fossil-fuel based generation. "The Bank continues to invest between \$2 billion and \$3 billion a year in greenhouse gas-producing energy projects, which fuel climate change and fail to help the world's poor," says a report backed by groups such as Friends of the Earth and the Institute for Policy Studies. "Financing for renewable energy projects makes up less than five per cent of the Bank's overall energy financing in fiscal year 2005," it adds.

[Source esaa news]