

Motion

of the Members of Parliament Ute Koczy, Thilo Hoppe, Dr. Uschi Eid, Hans-Josef Fell, Kerstin Müller (Köln), Winfried Nachtwei, Claudia Roth (Augsburg), Rainer Steenblock, Jürgen Trittin and the Parliamentary Group of ALLIANCE 90/THE GREENS

A World Bank energy policy for the future: yes to greater efficiency and renewable energies – no to nuclear power

The Bundestag is requested to adopt the following motion:

Access to sustainable energy is decisive in improving living conditions in the developing countries. Almost two billion people across the world remain reliant on traditional fuels like wood and animal dung to meet their basic needs. Access to energy is a central element in the battle against poverty. Practically all of the Millennium Development Goals are linked to sustainable energy supply: without access to such energy supplies hunger cannot be reduced.

The high and extremely volatile energy prices are a threat to the global economy as a whole, yet it is the poorest developing countries which are most vulnerable. Dependence on oil imports is disproportionately high in such countries. Poor countries tend to have more energy-intensive industries; at the same time, their cars and households are less efficient in energy use and energy technologies there do not represent the state of the art. This means that the proportion of national income spent on importing oil is twice as high in low-income countries as in industrial nations. Rising oil prices therefore act as a significant brake on development.

Today, around 70 per cent of energy is consumed in the industrial nations. We can expect more than two thirds of development in the foreseeable future to take place in developing and newly industrialised countries. The challenge faced is to couple rising energy consumption, which is inevitable, with greater efficiency, reduced damage to the environment and enhanced access for the poorest.

Against this background, the 2005 G8 Summit in Gleneagles commissioned the World Bank to contribute to the debate on access to "clean energy". In its approach to "clean energy", the World Bank must make a comprehensive contribution to overcoming reliance on fossil fuels, without placing its faith in high-risk technologies such as nuclear energy. World Bank programmes must help to satisfy rising demand for energy in the developing countries on the basis of energy efficiency and renewable energies. The German Bundestag believes that the World Bank must play a pioneering role in expanding the use of renewable energies. It must make reliable commitments, and continually expand its portfolio in this field, thus sending clear messages. For this reason, it must also develop new instruments in order to promote the use of renewable energies swiftly and effectively.

The German Bundestag calls on the Federal Government to seek to ensure:

1. that the World Bank phases out its support for fossil energy sources by 2010, as called for in the Salim report on the World Bank's raw materials policy; that it concentrates its support for energy sources primarily on renewables, and supports energy-saving and energy-efficiency measures.
2. that the World Bank continues its policy of not supporting investments in nuclear energy in the future.

3. that the regional development banks also do not support nuclear technology.
4. that the World Bank contributes to improving the market opportunities of renewable energies by massively expanding the relevant programmes.
5. that the World Bank clearly sets out the way in which its energy policy complements the approaches set out in the Framework Convention on Climate Change and those of the Global Environmental Facility.
6. that the World Bank systematically takes into account the impact of increased energy prices in its Country Assistance Strategies in the context of debt relief, debt sustainability analysis and growth assumptions.
7. that the World Bank defines more precisely its ideas and measures regarding access to energy for the poorest developing countries.
8. that the World Bank explains what will be its main focus in energy policy vis à vis the different groups of countries and that it develops approaches in its Country Assistance Strategies which are appropriate to the relevant stage of development.
9. that the World Bank publishes a report, reviewed by a panel of independent experts, on the rise in CO₂ emissions induced by the energy measures it has supported over the last ten years in the fields of coal, oil and natural gas. A list of projects supported by the World Bank which have contributed to opening up new fossil sources is vital in this context. The idea is for the list to establish how much carbon was released into the air from these deposits and the extent of its contribution to global warming.

Explanation:

At the spring meetings of the World Bank and the IMF in April 2006, the report *Clean Energy and Development: Towards an Investment Framework* was made public. This report was intended as a precursor to a World Bank investment framework to be presented in Singapore at the autumn meeting in September 2006. The debate on "clean energy and development" is intended, amongst other things, to establish the contribution which the World Bank can make in allowing the UN Millennium Development Goals to be achieved in line with the requirements of international climate protection. The use of "clean energies" in newly industrialised countries, access to suitable energy systems for the poorest countries and adaptation to worldwide climate change have a particular role to play in this context.

In its report, the World Bank highlights the connection between access to energy and development. This is the correct approach, since it is in the poorest countries in particular that lack of access to energy is detrimental to development. Many people in the poorest countries, for example, have no choice but to inflict long-term damage on their ecosystems by logging to meet their short-term energy needs, since they have no access to sustainable forms of energy.

In non-oil-exporting countries, current trends in energy prices pose a dramatic threat to economic development and "cancel out" the progress in meeting the UN Millennium Development Goals hoped for as a result of debt relief. The additional costs incurred by net importers of energy are already greater in some cases than the additional revenue they are receiving in the development cooperation framework. In 2004, for example, Nicaragua paid 541 million US dollars for its oil imports, 213 million dollars more than in 2003. This price increase alone is costing the country more than it will receive overall from the US-funded "Millennium Challenge Account" over the next five years (175 million US dollars over 5 years).

Access to energy will have a decisive impact on the future development of international agreements on stabilising the climate. The World Bank is an important player in the debate on investments and the

expansion of energy types viable for the future. One example of the role which the World Bank could play can be in its approach to newly industrialised countries. In line with current trends, the energy consumption and greenhouse emissions of Brazil, China and India alone are set to double over the next twenty years. This is why the World Bank, together with the UN Environment Programme and institutions from these countries, initiated the Three Country Energy Efficiency project. The aim of this project is to make investments which significantly reduce the burden on people and the environment. One of the lessons learnt from this process is that energy-saving measures in modernising and building factories, private and public buildings, can reduce emissions considerably. The reduction in energy loss thus induced is the most economical, easiest and quickest way of solving problems in the energy field. The World Bank is helping to shape and steer this process and must do so even more in the future.

Nuclear energy is not a "clean energy"

Grave weaknesses can be identified in the above-mentioned report. Even the use of the term "clean energy" is problematic; the report uses it to cover both renewable energies and efficient fossil-fuel energy production. Even nuclear energy is explicitly given as an option for "clean" energy production.

Various transitional countries (India, China, Brazil and Russia) are currently planning massive expansions of their nuclear energy sectors. The World Bank plays down the risks of nuclear energy in its report, describing it as a "no regret technology" or a "no harm technology". In doing so it ignores significant problems in nuclear energy use.

This is unacceptable, since the risks and costs of using nuclear energy are completely out of proportion to the predicted benefits. Fostering the use of a high-risk technology in developing countries and ignoring the running and safety requirements, together with the problem of dealing with nuclear waste - which has not been solved anywhere in the world - is irresponsible and sends the wrong message. It is insupportable that this is happening at a time when, as in the case of Iran, the dangers presented by non-civil use of nuclear energy, i.e. the spread of nuclear weapons, are giving rise to international conflicts. Yet even if nuclear power were to be massively expanded in the developing countries, there is not one developing country or newly industrialised country which would as a result be able to bridge the expected gaps in energy supply.

In the past, with the exception of helping to finance a nuclear power plant in Italy in 1959, the World Bank has deliberately refrained from becoming involved in funding nuclear energy. It must continue to pursue this fundamental policy. The World Bank's image has already been tarnished by its involvement in the raw materials and energy sector. Were the World Bank to decide in favour of involvement in future nuclear projects - as advocated by some shareholders and, it would seem, its President, Paul Wolfowitz - it would be getting involved in a sector opposed across the world by civil-society groups, political parties and clear majorities in most countries. Such involvement by the World Bank would be wrong and seriously damaging to the bank's reputation. Nuclear energy is, and will remain, an area from which the World Bank must distance itself and which it must on no account recommend to developing countries as a sensible path to embark on.

Although the Clean Energy and Development report provides comprehensive analysis on those countries with inadequate access to energy, it fails to provide a precise list of concrete measures which the World Bank intends to become involved in. Such measures need to take into account the level of development of the partner countries concerned - least developed countries (LDC), low-income countries (LIC) and middle-income countries (MIC).

The report does not make clear the extent to which the bank intends to launch new investment programmes and the areas in which it intends to invest. The exact role to be played by the bank in relation to other financial institutions, the Global Environmental Facility (GEF), other bilateral donors and other stakeholders in private industry also remains unclear.

Energy efficiency and renewable energies

It is also noticeable that the World Bank has no ambitious concept for the use of renewable energies. At the International Conference for Renewable Energies in Bonn in 2004, the bank did decide to expand its renewable energies portfolio and it did indeed achieve this goal in 2005. Yet this expansion is from a very low starting point. This means that the expansion achieved is still far too little. In the 2005 financial year, only 9 per cent of World Bank loans in the energy sector (a total of 2.86 billion US dollars) went into the area of renewable energies and energy efficiency. This does not indicate a substantial shift towards renewable energies.

The Clean Energy and Development report only discusses the potential of those energy sources which are often more or less the only ones found locally in developing countries – sun, wind, water and biomass – in a random manner and as one option amongst many. It does not usher in the long overdue paradigm shift in energy policy. In view of the current focus of its energy portfolio, the World Bank should not underestimate the extent to which investments are bound in the long term due to the long operating lives of fossil fuelled power plants and support for interim technologies or energy sources like natural gas. This means that these funds cannot be invested in innovation for clean and sustainable forms of energy. Priority must be given to meeting the climate targets, which should not be made more difficult by a retrograde energy policy.

Berlin, June 28th, 2006

Renate Künast, Fritz Kuhn and the Group of Alliance 90/The Greens