

Via Electronic Mail

8 November 2021

Re: Transportation Decarbonization and MDB Financing

To the Multilateral Development Bank Presidents

David Malpass (World Bank Group),

Akinwumi Adesina (African Development Bank),

Masatsugu Asakawa (Asian Development Bank),

Jin Liqun (Asian Infrastructure Investment Bank),

Odile Renaud-Basso (European Bank for Reconstruction and Development),

Werner Hoyer (European Investment Bank),

Mauricio Claver-Carone (Inter-American Development Bank),

Muhammad Al-Jasser (Islamic Development Bank),

and Marcos Prado Troyjo (New Development Bank),

In the context of ongoing efforts to align policies of multilateral development banks (MDBs) with the Paris Climate Agreement, we call on the MDBs to commit to end financial support for fossil fuel-dependent vehicles.

The World Bank, Inter-American Development Bank (IDB), and other MDBs have made lofty statements around the importance of addressing climate change, including through decarbonizing transport, and have developed climate change action plans. However, despite these plans and statements, the vast majority of projects in the transport sector support fossil fuel-dependent vehicles and infrastructure. Relatively little financing goes to projects that support zero emissions vehicles and infrastructure, such as charging stations.

As countries modernize their transportation infrastructure for increased urbanization, MDBs are in a position to influence how this modernization takes shape. Globally, more

than 25 percent of the energy-driven carbon emissions can be attributed to transport, and this is only expected to increase in the next 25 years without essential mitigation policy. Replacing the internal combustion engine with transport systems based on zero emissions vehicles along with investing in electric charging infrastructure is essential to confronting climate change.

We believe that MDBs can help create a world in which everyone relies on transport infrastructure that is both climate-resilient and sustainable. Since Paris, the World Bank and other MDBs have become increasingly vocal on the need for climate action, produced relevant publications, and established targeted programs with an aim to assist client countries in achieving climate pollution reductions. This includes a recognition of the role they can and must play to support the decarbonization of the transportation sector. [Sum4All](#), the World Bank's sustainable mobility campaign launched in 2017 has brought together public and private partners to provide the data and policy tools needed to decarbonize global transport, including the [Global Roadmap of Action Toward Sustainable Mobility](#). Earlier this year the Bank launched the Global Facility to Decarbonize Transport, a multi-donor trust fund specifically focused on transport decarbonization. The Climate Change Action Plans released in 2021 by the [World Bank](#) and the [IDB](#) both call for transport sector decarbonization. However, up until this point, the balance of their transport sector financing has not matched their rhetoric when it comes to decarbonization.

Recognizing the steps that MDBs have taken, it is time to move from campaigns and initiatives to policy-driven action. MDB commitments to decarbonize transportation will not be real until disbursements for vehicles and transport infrastructure are dedicated to zero emissions vehicles.

We are demanding that the banks:

1. Commit to end support for fossil fuel-dependent vehicles by 2025.
2. Commit immediately to stop financing for any ICE vehicles where there are alternatives available now, including for ICE buses, vans, and cars, and instead support clients in the transition to all-electric fleets.
3. Focus support for transport and related infrastructure to directly address poverty and development inequities by increasing access to transit and transport services for disadvantaged, marginalized, and mobility impaired peoples.
4. Create a transparent timeline for how it will phase out financial support for carbon-based transport and fundamentally change the ratio of funding in favor of zero emissions vehicles and systems.

These commitments are needed **now** because:

Transportation represents approximately a quarter of energy-driven carbon emissions. And emissions from transport are expected to rise 60 percent by 2050 without aggressive action. Experts have long recognized the tie between carbon emissions and the internal combustion engine.

Transport-related projects make up a significant portion of development investment.

Sustainable transport is a global equity issue. Zero emissions vehicles should not be reserved for wealthy countries or highly developed cities. Changing how the world's people get around is a critical step in combating climate change and limiting localized pollution, which in 2019 [caused](#) 385,000 premature deaths.

Without a policy commitment and a meaningful deadline, the Bank's talk about decarbonizing transport is just that – talk. The World Bank, the Inter-American Development Bank, and other MDBs must commit to full divestment from fossil fuel-dependent vehicles by 2025. The MDBs must show leadership on the challenge of decarbonizing transport with a commitment to finance only climate-friendly transportation.

SIGNED,

Acadia Center (United States)

Asociación Unión de Talleres 11 de Septiembre (Bolivia)

Bank Information Center (United States)

Center for Biological Diversity (United States)

Center for International Environmental Law (United States)

Counter Balance (Belgium)

Derecho Ambiente y Recursos Naturales DAR (Peru)

Earth Action, Inc. (United States)

EcoEquity (United States)

Ecoa - Ecologia e Ação (Brazil)

Elders Climate Action (United States)

E3G (United Kingdom)

Foundation for Environmental Management and Campaign Against Poverty (Tanzania)

Friends of the Earth (United States)

Gender Action (United States)

Greenpeace (Global)
International Rivers (United States)
Oil Change International (United States)
Rachel Carson Council (United States)
Recourse (Netherlands)
Urgewald (Germany)
Transport & Environment (Belgium)