



## Inside Development Energy

# Is this the moment for nuclear energy at the World Bank?

The bank could soon end its ban on nuclear energy work, with shareholders and borrowing countries expressing growing interest in the clean, stable source of power and bank leadership backing the idea.

By **Adva Saldinger** // 22 April 2025



Two people pass by on a motorcycle with the Rooppur Nuclear Power Plant, Bangladesh's first nuclear power plant, in the background, seen here under construction. Photo by: Reuters

For years, energy advocates, key [World Bank](#) shareholders, and some borrowing countries have urged the bank to rethink its policy banning any work on or financing of nuclear energy — and

now it seems this might actually come to pass. There's still work to be done, though, and bank leadership, shareholders, and advocates are expected to be discussing the issue this week at the World Bank spring meetings.

World Bank President Ajay Banga has said he supports removing the ban on nuclear energy as part of orienting the bank around an "all of the above" energy strategy that helps countries provide affordable, accessible electricity.

"You're not going to do that by thinking like yesterday. You have to change the paradigm," he said at a Washington Economic Club event last month. Some [600 million Africans](#) lack access to energy, and many countries on the continent and elsewhere need to expand capacity to meet basic and economic growth needs. This demand has sometimes clashed with climate objectives, but nuclear is seen as a solution that could address both objectives.

The bank bans nuclear energy because it does not have expertise in either the safety of nuclear facilities or nonproliferation. Banga said he raised the topic of changing the nuclear energy policy with the bank's board last year in part because it could provide a safe, transformative way to get renewable energy, including for things such as data centers and artificial intelligence.

He didn't make too much progress in that first meeting, he said, because "people went off into their camps." But the board told him to come back this June, nearly a year later, with a "thoughtful policy that lays out everything from gas to nuclear to geothermal, to hydro, to solar and wind."

Despite Banga's public support for a policy change, the board still has to weigh in, and in the past, objections have blocked investments in nuclear energy. Historically, Germany has opposed the bank investing in nuclear energy, but several sources said they believe the new more conservative German government may be more amenable to it. Others, including the United States — which the bank may be looking to please as the Trump administration evaluates its relationship with the institution

— have expressed support for a change.

But reopening the energy policy could present challenges. “It was a can of worms last time and a big fight,” Todd Moss, the executive director of the [Energy for Growth Hub](#), told Devex. Due to competing demands and past intransigence, “a coalition of both selling and buying countries is going to have to force the issue,” he said.

## The policy

The bank technically has two bans on nuclear energy: One in its energy policy and one at the [International Finance Corporation](#), its private sector arm.

A footnote in the [bank’s energy policy](#) says that the bank group “will not finance nuclear power generation or provide specific technical assistance for its assessment and development because safety of nuclear facilities and non-proliferation are not in the WBG’s areas of expertise, nor will the WBG build internal capacity in matters related to nuclear power generation.”

The other explicit ban appears in [IFC’s exclusion list](#). It details sectors or types of investments that it is prohibited from investing in, including the production or trade in radioactive materials.

Nearly two dozen development finance institutions use the IFC’s exclusion list in their investment strategies, so changing the policy could have wide-ranging effects.

“If the bank removed nuclear from its investment exclusion list, that would open the door for lots of other institutions, including like the [Asian Development Bank](#) and some of the bilateral [development finance institutions] to also consider nuclear, and that’s important because nuclear reactors will be relatively expensive projects so you would want a consortium of lenders,” Moss said.

The bank has financed nuclear energy once in its history — in 1959 in Italy. It was Italy’s first nuclear power plant and operated from [1964 to 1978](#) when it was closed due to an equipment failure, and was done at a time when the bank was exploring the

possibility of financing nuclear energy.

## The case for nuclear power

Those who want the World Bank to rethink its nuclear policy argue that doing so will help address climate and energy demands, meet borrowing countries where they are; address safety concerns; and help the U.S. and its allies compete with Russia and China, who dominate the nuclear power industry.

“Expanding that portfolio to include nuclear is good, because nuclear is both clean and always on, which you cannot say for wind and solar,” said Vijaya Ramachandran, director of energy and development at the [Breakthrough Institute](#).

ADVERTISEMENT



Many low-income countries need stable power. Rather than just doing solar and wind projects, they need some kind of backup power, which could include nuclear, but also fossil fuel backup or hydroelectric or geothermal power, she said.

“If they really want to do clean energy that’s always on, that’s reliable, that’s continuous, that’s clean in countries that don’t have geothermal or hydro, then nuclear becomes very attractive,” she said.

The bank should also respond to demand for nuclear

technologies and could be a key enabler for nations considering a nuclear program and its ban has “limited the options for countries that are interested in nuclear power,” said Niko McMurray, who leads international and nuclear policy at ClearPath International, a nonprofit focused on reducing global energy emissions using American innovation.

China and Russia dominate the nuclear energy industry in low-income countries today, and in some cases, they are locking countries into long-term fuel and construction agreements for nuclear reactors, including newer small modular technologies. That is partly fueling U.S. support for the policy change, which could open up the global market for U.S. companies, he said.

One reason Russia and China have found so much success is that their nuclear energy companies are either owned or semicontrolled by the government and are vertically integrated, so they can not only build plants, provide fuel, and supply operators, but also provide financing.

If the World Bank plays more of a role in financing, it could be advantageous for countries such as the U.S. that can’t provide financing for these projects directly the way state-backed companies from Russia and China can, Adam Stein, director of nuclear energy innovation at the Breakthrough Institute, told Devex.

## Getting to net zero

World Bank borrowing countries see the value proposition, including facilities that can provide reliable, affordable and clean energy for decades, McMurray said.

Nuclear plays a critical role in getting to net-zero greenhouse gas emissions. More than 20 countries — including the U.S., Armenia, Bulgaria, Canada, France, Ghana, Jamaica, and more — said they would triple nuclear power by 2050 as [part of a pledge made at COP28](#) in 2023.

The pledge also said the countries would work to get the World Bank and other development finance institutions to include

nuclear energy, and once permitted, actively support it.

“A large group of nations asked the World Bank to take this action years ago. It is not the World Bank randomly deciding to change course, nor is it the nuclear industry pressuring the bank to change. It is a call from nations for the World Bank to enable the construction of new nuclear energy in line with the bank’s core mission,” Stein said.

Nuclear energy has both the highest safety rating and lowest carbon footprint of any source of energy generation, said U.S. Rep. French Hill, who chairs the House Financial Services Committee.

He is often approached by countries that want U.S. nuclear power technology, including newer, cheaper reactors with a smaller footprint that reprocess spent fuel, he said at a recent Devex event. He cosponsored the International Nuclear Energy Financing Act of 2025, which was approved by the committee earlier this year in a bipartisan vote.

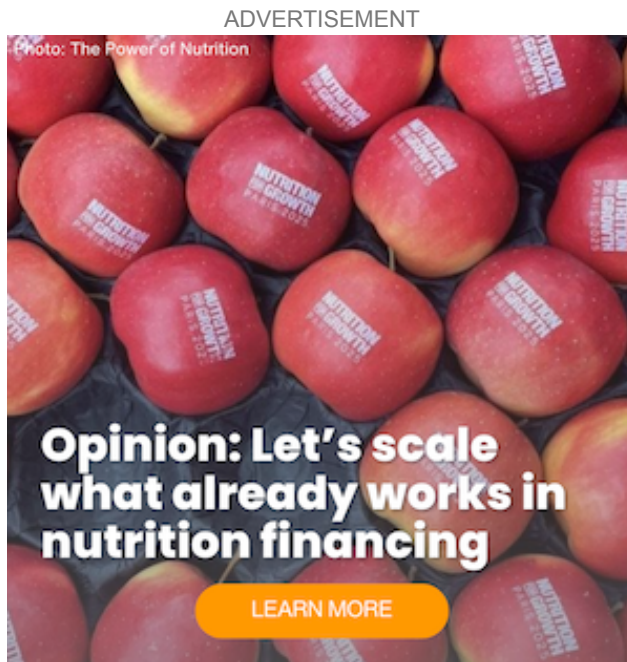
The bill, if passed, would direct the U.S. to use its “voice, vote, and influence” to advocate for the World Bank, the [European Bank for Reconstruction and Development](#), and other international financial institutions to remove prohibitions against funding the generation and distribution of nuclear energy. It also calls for the creation of a Nuclear Energy Assistance Trust Fund to provide technical assistance and financial support to nuclear energy projects.

“It’s not trying to put nuclear where it doesn’t have a home, regulatory, safety-wise, security-wise,” Hill said, but rather help countries considering doing nuclear energy and gain access to American, or other “Western” country technologies as an alternative to Russia and China.

## Concerns about nuclear energy

There are reasons the bank has not funded nuclear or developed expertise on the issue in the past. Concerns include risks related to proliferation, safety, and waste disposal — not to mention cost.





“Unlike renewable sources of energy, nuclear power is an unforgiving technology because human lapses and errors can have ecological and social impacts that are catastrophic and irreversible,” a [2010 World Bank report](#) said.

“I, like many other skeptics, were quite fearful of nuclear energy because of what happened in Japan, Chernobyl, but that’s quite a long time ago,” John Asafu-Adjaye, a senior fellow at the [African Centre for Economic Transformation](#), told Devex. “I think now the whole technology has changed and some countries including Ghana realized it is an option to meet” climate targets. Ghana is working through a three-stage process to meet international standards for nuclear energy.

Numerous experts told Devex that nuclear energy is actually the safest option out there, even with the impacts of the high profile disasters. And it’s getting safer, they say, with new technologies and safety features including passive science-based protections, building redundancies in systems and simplifying things to reduce the potential for an accident.

“People worried about nuclear energy not being safe are focused on it being not used correctly,” Stein told Devex.

While there could be concerns about nuclear proliferation and the

use of nuclear materials for weapons, there are protections that could be put in place to address them, and the World Bank could play a role there, ensuring that safety and security standards are met, several experts said.

Regarding the cost of nuclear power, several experts said that the price tag would have to drop for it to be the best option for many countries where other forms of energy are likely cheaper. Nuclear power plants are expensive, though smaller and newer technologies, once scaled, could bring costs down, experts told Devex.

That may take some time, and while “entrant nations can be part of the orderbook, they should not be first movers,” Stein said. Nations with experience and a trained workforce should try these new technologies first, he said. Over time, new nuclear designs “can actually be very cheap when compared to fossil fuels,” he said, adding that it is also a cleaner, more climate-friendly alternative

## What happens next?

If the bank gets approval in June, or at a later date, to pursue nuclear power its unlikely things will change overnight, and it could be years before it makes its first investments, experts said.

“There’s a lot of homework the bank has to do before it can actually make these investments,” Ramachandran said, adding that the bank won’t suddenly substitute nuclear energy for the energy investments it is currently making. “We need to see it as adding to capacity. It’ll be one more choice in the portfolio.”

### The Pro read:

#### US Congressman French Hill: World Bank ‘way off course’

The Republican House representative criticizes the bank, and other multilateral institutions, in part for disproportionately focusing on climate change, though he doesn’t advocate for the U.S. to abandon multilateralism.

The bank should first build a technical team, and it could pull in



experts from the U.S. government as well as agencies such as the [International Atomic Energy Agency](#) and the [Organisation for Economic Co-operation and Development](#). Then the bank should figure out what its role should be, what technologies countries should consider, and what the regulatory, safety, procurement implications would be, and what safeguards are needed, Moss said.

“The first step is just to learn. The second step would be to advise. And the third step would be to essentially hang a shingle that if you are particularly a small modular reactor company, and you’ve got a buyer, that they’re willing to consider financing it,” he said.

The bank should focus on advisory services and helping countries figure out what energy mix, including nuclear, would best suit their needs, several experts said. And if they do want to pursue nuclear energy, the bank should help them connect with existing processes to establish the right regulatory environment, Stein said.

“The World Bank trying to step in as a new voice on regulatory structures would not be appropriate, would not be productive,” he said.

Economic Development

Environment & Natural Resources

Innovation & ICT

Infrastructure

Urban Development

Energy

Funding

Trade & Policy

World Bank Group

### About the author



**Adva Saldinger**  [@AdvaSal](#)

Adva Saldinger is a Senior Reporter at Devex where she covers development finance, as well as U.S. foreign aid policy. Adva explores the

role the private sector and private capital play in development and authors the weekly Devex Invested newsletter bringing the latest news on the role of business and finance in addressing global challenges. A journalist with more than 10 years of experience, she has worked at several newspapers in the U.S. and lived in both Ghana and South Africa.