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## World Bank Group investments in petrochemicals

Briefing for World Bank executive directors

*The World Bank Group (WBG) accounts for 48 of 93 projects and 65.7% (USD6.6 billion) of tracked multilateral development banks' (MDBs) investments in petrochemicals and fertilisers.*

*Three WBG guarantees, worth USD3.08-billion, finance petrochemical activity whose end-use assets are undisclosed or spread across multiple countries and sectors.*

*The International Finance Corporation (IFC) is preparing a Category A fourth production line for Indorama Eleme while a joint compliance investigation into Line 3 at the same complex remains open.*

*By project value, the WBG's petrochemical portfolio funds USD7.49 of new capacity for every USD1 of decarbonisation, more than double the ratio across all tracked banks, despite 100% project-level Paris alignment.*

### Executive summary

The Institute for Energy Economics and Financial Analysis (IEEFA) and International Accountability Project (IAP) released the [Global MDB Investment in Petrochemicals Tracker](#) in August 2026. The tracker is an interactive database that visualises petrochemical investments across different sectors within the industry from 16 multilateral development banks (MDBs). The database is built using details from the Early Warning System (EWS) hosted by the IAP. It tracks 93 projects covering a base investment amount of USD10,042 million.

The World Bank Group (WBG) [International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), World Bank] accounts for 48 of 93 projects and USD6.60 billion of USD10.04 billion (65.7%) in the first public dataset of MDB investments in petrochemicals and fertilisers. Two-thirds of that value (USD4.47billion) reaches final projects through financial intermediaries or guarantees without disclosed sub-project information. The WBG's petrochemical portfolio builds USD7.49 of new capacity for every dollar of decarbonisation, more than double the 3.2:1 ratio across all tracked banks. The most consequential near-term question for the Board is the sequencing of IFC's proposed Line 4 financing for Indorama Eleme in Nigeria against the live joint compliance investigation by the Office of the Compliance Advisor Ombudsman (CAO)/Development Finance Corporation (DFC) into Line 3 at the same complex.

## 1. The WBG's share of the petrochemical portfolio

IFC dominates with 45 projects and USD3.52 billion in financing (35.1% of the full tracker). MIGA holds two proposed guarantees totalling USD2.42 billion (24.1%); the World Bank has one approved guarantee of USD654.9 million (6.5%). Virtually all WBG financing (100% by value) goes to private-sector borrowers.

By region, Southwest Asia and North Africa (USD2.98 billion, 45.2% of WBG value) and Africa (USD2.06 billion, 31.2%) dominate. South Asia accounts for USD551.9 million across 15 projects. Europe has a single USD18.4-million Ukrainian plastics loan.

By sub-sector, the three largest line items are: MIGA's proposed USD2.0-billion petrochemical infrastructure guarantee for Duqm Special Economic Zone (SEZ) in Oman, IFC's USD1.25-billion Indorama Eleme Line 3, and the World Bank's USD654.9-million Turk Eximbank guarantee. Together these three account for 59.2% of all WBG petrochemical value.

## 2. The intermediation question

**Eight of 48 WBG projects (worth USD4,467.5 million, 67.7% of WBG value) are intermediated.** All three WBG guarantee operations are intermediated by construction:

- [MIGA-14244](#): This is a USD2.0-billion guarantee for Duqm SEZ infrastructure. MIGA's own disclosure describes the guarantee as covering a financing package for port infrastructure, roads, and berths within a zone that explicitly includes a 230,000-barrels per day (bpd) refinery and a 2,000-hectare petrochemical industrial zone. The guarantee was board-approved in April 2019 and is still listed as Proposed.
- [MIGA-14662](#): This is a USD422.6-million guarantee via Standard Chartered bank and the Eastern and Southern African Trade and Development Bank for petrochemicals across 22 African countries. This project was board-approved in June 2020 and is still listed as Proposed.
- [WB-P181436](#): This is a USD654.9-million loan guarantee by the International Bank for Reconstruction and Development (IBRD) to Turk Eximbank for the [Turkiye Green Export Project](#). The project, which was board-approved in February 2024, is a broader green-export facility spanning six EU Carbon Border Adjustment Mechanism (CBAM) sectors (cement, steel, aluminium, fertilisers, electricity, hydrogen) and later-stage sectors (chemicals, plastics, textiles, among others). No new construction or production expansion is financed and sub-loans go to exporter energy-efficiency upgrades. As of the August 2025, 11 exporters had been financed and the guarantee is rated Satisfactory.

Within IFC's own portfolio, five projects (USD1.39billion, 39.5% of IFC's total) are intermediated, led by the USD1.25-billion Indorama Eleme package to its Line 3 plant. It is classified as Financial Intermediary (FI) in the tracker because the majority of the financing was syndicated B-loans and parallel loans mobilised from commercial banks.

Accountability is the key issue here. The [2020 External Review of IFC/MIGA E&S accountability](#) found significant gaps in IFC's ability to ensure FI clients assess environmental and social (E&S) risk. A June 2026 Civil Society Organisation (CSO) coalition has formally proposed a [dedicated FI safeguard in the IFC Performance Standards](#). In the context of the tracker, three guarantees worth USD3.08 billion sit in structures where the end-use assets are either undisclosed (MIGA Oman), spread across 22 countries (MIGA Africa), or channelled through a multi-sector facility where fertilisers are one of several eligible sub-sectors (WB Turkey).

### 3. Indorama: Concentration, compliance, and sequencing

**Indorama group companies appear in seven of 48 WBG projects (all IFC) worth USD1.66 billion, or 25.1% of WBG value.** The Nigerian subsidiary alone accounts for five IFC projects across Line 1, 2, and 3, an efficiency upgrade, and a petrochemicals advisory. IFC's [USD1.25-billion Line 3 financing package](#), board-approved in November 2023, is the largest direct operation in the tracker.

**The compliance record is significant:**

- **Complaint 01 (2018, labour):** Retaliation and Worker Grievance Mechanism (WGM) concerns were raised by 134 employees. The CAO investigation found IFC non-compliant on Performance Standard 2. The case was closed in May 2024 after IFC implemented a Management Action Plan ([CAO case page](#)).
- **Complaint 02 (2023, labour):** Union chairman raised collective bargaining agreement and retaliation concerns. CAO found preliminary indications of harm to contractor workers but no IFC non-compliance. The case was closed September 2024 ([CAO case page](#)).
- **Complaint 03 (2024, community):** Two CSOs, supported by the Bank Information Center, raised air and water pollution, biodiversity loss, health impacts, and inadequate consultation. In July 2025, CAO concluded that a compliance investigation is warranted, finding "preliminary indications of E&S harms and potential IFC non-compliance". A parallel DFC Independent Accountability Mechanism (IAM) investigation reached the same conclusion. They are now running a [joint investigation](#), alongside three related Nigerian court cases ([CAO case page](#)).

While this investigation is open, IFC published [early disclosure for a fourth production line \(Line 4, Project #52224\)](#) on 27 July 2026, provisionally classified Category A (the highest E&S risk category), including a 65-km gas pipeline. FMO (the Dutch entrepreneurial development bank) has separately disclosed that it is considering a [USD100-million participation](#) in the same IFC-led syndication, totalling USD1.25 billion in investment. This raises a direct governance question: How should the Board sequence a new investment in a client whose existing operations are under a live compliance investigation by its own accountability mechanism? The CAO appraisal report was circulated to the IFC Board and the WBG President. The complainants allege, among other things, that IFC mis-categorised Line 3 as Category B. Line 4's Category A classification may reflect learning from that criticism, but the substance of the investigation, including pollution of the Okulu river and the absence of a cumulative impact assessment, applies to the same industrial complex.

## 4. The climate math within WBG

Grouping projects by purpose, the WBG's petrochemical portfolio is 86.7% new capacity build (USD5.72billion) and 11.6% decarbonisation/efficiency (USD763.9million), which is a build-to-clean ratio of 7.49:1. This is substantially higher than the full tracker ratio (3.2:1) and reflects the weight of MIGA's large expansion guarantees.

Since the July 2023 Paris alignment milestone, seven WBG projects have been board-dated, totalling USD2.09 billion. Their build-to-clean ratio is 2.1:1 (USD1.41-billion build, USD680-million clean). The largest build-side entry is the USD1.25-billion Indorama Line 3 (expansion, board-dated November 2023). The clean side is dominated by the USD654.9-million Turk Eximbank guarantee.

IFC reports reaching [100% Paris alignment in financial year \(FY\) 2025](#), and MIGA similarly [achieved 100% in FY2025](#). The [Joint MDB Paris Alignment Principles](#) assess intermediated finance on a counterparty basis, so a guarantee to a bank can be aligned even if the bank's sub-loan portfolio includes fossil-linked assets. The aggregate pattern, USD7.49 of new petrochemical and fertiliser capacity for every USD1 of decarbonisation, merits scrutiny at the portfolio level, not just project by project.

## 5. Risk profile

Only four of 48 WBG projects are unrated (all are small IFC advisory/early-stage operations totalling USD2.6 million), substantially better than the 21 of 93 unrated across the full tracker. Six projects carry Category A ratings (USD2.54 billion), including the two MIGA guarantees and the proposed Indorama Line 4. The remaining 38 are Category B.

By status, 32 of 48 WBG projects are completed; four are active (including Indorama Ventures and a DFC-co-financed Indorama operation); four are approved (including the Turk Eximbank guarantee and an IFC-Gujarat Fluorochemicals Limited investment in India that is board-dated October 2025); two MIGA guarantees remain proposed. The unbuilt exposure (proposed + approved) within WBG is USD3.21 billion or 48.7% of Group value, higher than the tracker average of 37.6%. This is where stranding and write-down risk concentrates, particularly if the petrochemical downcycle documented by Wood Mackenzie extends into the early 2030s.

## 6. Questions for the board

**Sequencing Indorama Line 4:** What governance framework ensures that the findings of the live CAO/DFC joint investigation into Line 3 are available and acted upon before Board consideration of Line 4? Does the provisional Category A classification for Line 4 reflect a reassessment of the cumulative E&S risk of the entire complex?

**MIGA guarantee transparency:** The USD2.0-billion Duqm SEZ guarantee enables infrastructure for a petrochemical and refinery zone. What sub-project information is available on the petrochemical assets this infrastructure serves, and how is Paris alignment assessed for enabling infrastructure that facilitates downstream fossil-linked expansion?

**Portfolio-level climate review:** Project-by-project Paris alignment assessment can yield 100% compliance while the portfolio aggregate is 7.49:1 build-to-clean. Should the WBG undertake a portfolio-level review of its petrochemical and fertiliser exposure alongside the project-level screen?

**FI safeguard reform:** As the IFC Performance Standards review proceeds, what position will Management take on the CSO proposal for a dedicated FI safeguard, given that 67.7% of WBG petrochemical value is intermediated?

**Disclosure at the point of the vote:** The tracker reveals that eight of 93 projects across all banks disclose no investment amount. Within WBG, three of 48 (all IFC/Indorama) have undisclosed amounts. What disclosure standards should apply to petrochemical investments before Board approval?

**Policy governing the petrochemical sector:** There is no WBG policy which deals with the petrochemical sector directly. The 2019 exclusion covers upstream oil and gas only. None of the 11 Paris-alignment Sector Notes cover chemicals or industry. The joint MDB principles also leave chemicals off the list of activities that are always aligned, so every petrochemical deal is judged case by case. What policy does the Board use to decide whether a new petrochemical investment fits the Group's Paris-alignment commitment?

## About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends, and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable, and profitable energy economy. [www.ieefa.org](http://www.ieefa.org)

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