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Sign-on letter on Hydropower after Nepal Disaster

Ajay Banga, President, World Bank Group

Makhtar Diop, Managing Director, International Finance Corporation

The Boards of Executive Directors, World Bank Group

SUBJECT: The 2026 Nepal Tragedy and the Urgent Need to Halt High-Risk Hydropower Investments

DATE: October 12, 2026

Dear Mr. Banga, Mr. Diop, and Members of the World Bank Board of Executive Directors,

We write to you in the wake of the catastrophic August 26, 2026 rock-ice avalanche and resulting flood in the Himalayas along Nepal and the Tibet Autonomous Region—a disaster that was entirely foreseeable and greatly worsened by climate change and the unchecked development of major export-oriented hydropower projects in risk-prone Himalayan valleys.

The human toll of this disaster is staggering. As of late September, the Government of Nepal documented the loss of 1,450 lives, with 5,285 individuals still missing. Among the missing are an estimated 500 personnel associated with Upper Trishuli-1 (UT-1), a \$650 million hydropower project financed by a consortium of international lenders led by the World Bank Group and co-financed by the Asian Development Bank and Asian Infrastructure Investment Bank.

A foreseeable disaster

This disaster is not an isolated event. High Mountain Asia¹ is experiencing rapid glacier retreat, expanding glacial lakes, permafrost degradation and increasingly unstable mountain slopes, creating conditions for more complex and cascading hazards, including glacial lake outburst floods (GLOFs), rock-ice avalanches, landslides and debris flows. [Recent analysis](#) following the Nepal disaster has warned that both the frequency and intensity of Himalayan hazards are increasing, while infrastructure development is simultaneously expanding into precisely these vulnerable landscapes. Hydropower infrastructure is especially exposed because dams, intakes, tunnels, powerhouses and access roads are concentrated in steep glacier-fed valleys and downstream flood paths.

The economic devastation mirrors the human tragedy. The government's Rapid Damage and Needs Assessment (RDNA) attributes nearly USD 1 billion in losses directly to the destruction of 13 hydropower plants, accounting for a third of all physical and economic losses. Consequently, a staggering USD 2.5 billion is now being sought for energy sector reconstruction, representing 54% of the nation's total post-disaster recovery needs.

Warnings ignored at Upper Trishuli-1

This is not simply a consequence of unleashed natural hazards. It reflects a profound failure of the World Bank Group's (WBG) approach to developing and financing high-risk infrastructure. The dangers at UT-1 were well known. As early as 2017, [civil society organizations warned](#) that UT-1 faced grave [safety risks](#): a history of glacial lake outburst

¹ High Mountain Asia refers to the high-elevation ranges of Central and South Asia centered on the Tibetan Plateau, including the Himalaya, Karakoram, Hindu Kush, Pamir, Tian Shan and Kunlun.

floods on the Trishuli, high seismic exposure underscored by the 2015 earthquake, and a design that had not considered the effects of climate change on river flows. Yet IFC [concluded in 2018](#) that GLOF risks in the basin were low, and a dedicated Climate Risk Assessment found the project's climate risks to be low. IFC's 2020 [Cumulative Impact Assessment](#) of the Trishuli basin likewise failed to adequately examine GLOFs, compound disasters, changing climate conditions, or hazards originating upstream across the Nepal–Tibet border.

The risks then began to materialize on site: An Independent Panel of Experts, commissioned by ADB in 2023 and also reporting to IFC, [found](#) that floods in September 2024 had threatened a powerhouse labour camp and put workers at risk, and that a GLOF in 2025 damaged project facilities. In May 2025, the Panel recommended a Climate Resilience Assessment integrating disaster risks, which has yet to be done. The financiers knew the project faced recurrent floods and GLOFs and urgently needed safety improvements, yet it proceeded without them.

A systemic policy failure

At the same time, as a result of more permissive safeguard policies that allow financing projects before ensuring their full environmental and social compliance, WBG-backed dam projects in High Mountain Asia and elsewhere have repeatedly reached financial closure without reliable assessments of environmental and safety risks or realistic mitigation plans. Examples of projects that were damaged or redesigned with cost and time overruns, include, but are not limited to: Dasu Hydropower, Tarbela 5 Hydro Extension, Khyber Pakhtunkhwa Hydropower (Pakistan), Rogun (Tajikistan), Vishnugad Pipalkoti HEP (Chamoli, India), and Upper Bhotekoshi (Nepal). Projects are routinely approved without credible evaluations of alternatives in light of often severe climate change and geological vulnerabilities, and without effective monitoring and oversight in place.

Hydropower is not a climate solution

The WBG can no longer present such projects as climate solutions. Channeling climate finance into major dams situated in rapidly destabilizing glacial valleys and zones of high seismicity is a clear case of maladaptation. Rather than contributing to climate goals, these projects place workers, Indigenous communities, and billions of dollars of public and private capital in the path of cascading cryospheric and geological hazards.

The August 2026 disaster is the latest in a string of hydropower failures across the Himalayan region. In February 2021, a rock-ice avalanche in Chamoli, India destroyed the Rishiganga and Tapovan-Vishnugad hydropower projects, leaving more than 200 people dead or missing. In October 2023, a glacial lake outburst flood from South Lhonak Lake in Sikkim destroyed the brand new 1,200 MW Teesta-III dam and damaged four other dams downstream. In Nepal, floods in September 2024 damaged around 20 hydropower plants, including UT-1, and a GLOF in July 2025 affected eleven projects in the Bhotekoshi–Trishuli corridor. These hazards increasingly exceed the [limits of adaptation](#), and continuing to expose infrastructure, and the people who depend on it, to such risks is unacceptable.

Our demands

The August 2026 disaster must prompt a comprehensive, systemic revision of the WBG's approach to hydropower development, dam safety and safeguard policies. It must also prompt reparations, disaster recovery assistance, and cancellation of public debts incurred to build

large hydropower projects. We call upon the leadership of the World Bank Group to urgently implement the following actions:

1. Declare risk-prone mountain rivers "no-go zones" for high-risk mega-infrastructure, starting with High Mountain Asia.

The WBG must prohibit the financing of large hydropower dams and other major infrastructure in valleys threatened by geological and cryosphere impacts. The Himalayan, Pamir, Hindu Kush, Andean and similar high-altitude regions are facing rapid permafrost degradation, glacial retreat, and an increasing frequency of cascading multi-hazards (e.g. rock-ice avalanches, glacial lake outburst floods (GLOFs), and debris flows). A [January 2026 study published in Nature](#) documents 388 GLOFs in the Himalaya–Karakoram, 85 of them since 2000. [ICIMOD](#) estimates cited in this review put worst-case losses in Nepal from a single outburst at nearly USD 10 billion from the Imja Tsho glacial lake. The principle of avoiding harm must take precedence over the pursuit of bankability, which too often rests on overly optimistic assumptions about risk reduction and engineering solutions.

2. Institute an immediate moratorium on large and cascading hydropower projects across the WBG's global portfolio.

We request that the WBG halt the financing of all large and cascade hydropower projects currently in its portfolio or pipeline. This moratorium must remain in place until independent reviews and comprehensive, basin-wide risk assessments have been completed for all under-construction and proposed hydropower projects financed by the WBG. These reviews must include rigorous cumulative impact assessments for basins with multiple dams, be publicly disclosed, and be subjected to meaningful public consultations. Risk avoidance and the conservation of resilient, natural river ecosystems must be the guiding principles of this review.

3. Eliminate loopholes in the WBG environmental and social policy frameworks.

The WBG should adjust the Environmental & Social Framework and IFC & MIGA Sustainability Frameworks to prohibit financial closure or funding disbursements for large hydropower and associated infrastructure projects before all environmental and social safeguard instruments are finalized. Approval should be contingent upon the public disclosure of comprehensive baseline studies, robust climate risk assessments, finalized Environmental and Social Impact Assessments (ESIAs), dam failure risk assessments, and environmental management and emergency preparedness plans that are agreed upon in advance with local communities and riparian countries. In addition, rigorous assessments of less risky, less expensive alternatives must be conducted before any dam is approved.

4. Support Nepal's recovery through reparations and grants, not by rebuilding the same risks.

The WBG should not recreate the same vulnerabilities that contributed to the August 26 disaster. We urge the Bank to stop promoting and providing technical assistance for a river-commodification development model that concentrates roads, services, and energy facilities in known hazard zones. As the interim trustee and host of the Fund for Responding to Loss and Damage, the World Bank should support the calls of Nepal for accessing sufficient funds both as a form of reparations but also to contribute to recovery efforts.

5. Help hydropower-dependent countries diversify their energy systems, and stop deepening their dependence.

Countries that rely heavily on hydropower are increasingly exposed as climate change reshapes their rivers. From Mozambique and the Democratic Republic of Congo to Nepal and Tajikistan beyond, the WBG should help hydro-dependent countries build more resilient, diversified energy systems and redirect finance toward distributed solar and wind, micro-hydro, storage, and investments in grid resilience and regional interconnection. These options can be deployed faster, spread climate risk rather than concentrating it in a single river corridor, and leave free-flowing rivers and Indigenous territories intact. In these countries, new large and cascading hydropower projects, such as Mphanda Nkuwa on the drought-hit Zambezi, Inga 3 on the Congo, and Tajikistan's Rogun project deepen the very dependence that leaves them vulnerable. The WBG should therefore stop supporting them through financing, guarantees, equity, technical assistance and other means. Energy security requires diversification, not deeper dependence on climate-vulnerable hydropower.

The loss of life at the UT-1 project and across the Bhotekoshi-Trishuli corridor shows the tragic consequences of building high-risk infrastructure in a rapidly changing climate. The mountains have issued a clear warning: If the World Bank Group continues to finance business-as-usual hydropower in these fragile regions, it will share responsibility for the next disaster.

We look forward to your response, including a timeline for implementing these necessary policy changes.

Sincerely,

Add your organizational endorsement [here](#).