The World Bank and Energy Sector Financing

Inogate Round Table
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The World Bank

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1. Energy Financing by the World Bank in Inogate Countries (WB’s participation in 2008 Inogate round table)
2. Clean Technology Fund (CTF)
3. Central Asia
4. Caspian Development Corporation (CDC)
5. Inogate support
WB Energy Business Lines

- Sector Restructuring and Frameworks
- Supply Efficiency (Hydro, Thermal, District Heating rehabilitation)
- Regional Energy Trade (ECSEE APL, CASAREM)
- Promotion of Private Investment (Distribution Privatization: Partial Risk Guarantees in Romania and Albania, IPPs/PPPs)
- Energy Efficiency and Conservation (Demand-Side Management)
- Reducing the Greenhouse Gas (GHG) Intensity of Energy Supply

WB’s energy financing in Inogate countries

- Ukraine: Hydropower rehab; power transmission; district heating EE; Green Investment Scheme
- Moldova: District heating EE
- Belarus: Public sector EE, DH/CHP
- Armenia: RE/EE Fund; urban heat supply
- Azerbaijan: Power transmission modernization
- Georgia: Transmission modernization; hydropower
- Turkey: Power transmission & distribution, Thermal power rehabilitation, Gas storage, Renewables (hydro, wind, geothermal), Energy efficiency
- Kazakhstan: N-S transmission; power system modernization
- Kyrgyz: Utility loss reduction; thermal and hydropower
- Tajikistan
- Uzbekistan: Gas flaring reduction; energy efficiency
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Clean Technology Fund (CTF)

CTF is a $5 billion global fund for climate change mitigation

• supported by 10 donor countries
• managed by the WB as the trustee
• to co-finance projects of the WB Group (IBRD/IFC) and regional development banks in 15-20 countries

CTF Trust Fund Committee has endorsed three CTF Investment Plans: Egypt, Mexico and Turkey
Clean Technology Fund (CTF)

Turkey's Investment Plan is focused on:

- Energy Efficiency;
- Renewable energy; and
- SmartGrid – advanced grid technologies to help Turkey absorb large volume of intermittent renewable energy (incl. 20,000 MW wind power)

The World Bank, IFC and EBRD teams are working together to help other CTF Investment Plans:

- Ukraine
- Kazakhstan
- Uzbekistan

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Focus of the World Bank Energy strategy in Central Asia

1. Support for regional cooperation and trade in energy
2. Assistance in sector reforms and regional capacity building
3. Support of investments increasing supply, security, and efficiency in the energy sector and the reduction of GHG based on comprehensive national sector analysis and strategies
4. Encourage Private Sector participation
5. Responsible for the Energy part of the CAREC initiative

Central Asia Energy and Water Development Framework

• The Bank is working on a Central Asia Development Framework with the objectives of:
  
  A. Identifying a program of priority investments in Central Asia to address domestic energy needs and economically feasible energy trade
  
  B. Defining a plan of activities to advance the dialogue on the Regional Development Framework and project preparation activities

• These activities will be prepared in consultation with countries, multilaterals and the donor community (May-September) with a donor coordination meeting expected in December 2009
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Caspian Development Corporation (CDC)

Caspian Development Corporation:

- Proposed interface for joint gas purchasing and infrastructure development
- Proposed interface for the cooperation of European (= European Union + Energy Community countries) and Caspian/Central Asian countries in the gas sector
- Could be extended to the Middle East
Caspian Development Corporation (CDC)

Caspian Development Corporation:

- Feasibility assessment was proposed by the European Union’s Second Strategic Energy Review in November 2008
- To be addressed at European Union’s “Southern Corridor – New Silk Road” summit in Prague on May 8, 2009

World Bank’s participation:

- Joint collaboration between the World Bank, European Commission, EIB for a study on design and establishment of the CDC though a Trust Fund managed by the World bank
- Funding for the TA project expected to be provided by the European Commission, the EIB and the PPIAF (Public-Private Infrastructure Advisory Facility)

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Inogate Support

- Investment project preparation and implementation support: feasibility studies, project management
- PPPs: transaction advisors, competitive selections of sponsors/partners, implementation support
- EE/RES capacity building: energy efficiency and renewable energy require additional targeted support
- Capacity building: governments, regulators, transmission system operators, market operators – national and regional levels - "replicate" the Athens process of cooperation

Thank you!