



**WORLD BANK GROUP**

# **World Bank Perspective-Options Available to the Region for Scaling up Renewable Energy**

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# World Bank Overview & Energy Program

# Overview of the World Bank Group (WBG)

## WBG “twin-goals” of reducing extreme poverty and increasing shared prosperity

### World Bank

Brings cross-cutting solutions to client needs through:

- Financing: Lending for budget support, investment projects and credit lines
  - IDA: concessional financing for eligible countries
  - IBRD: market-based lending on a LIBOR+ basis for eligible countries
- Guarantees
- Global knowledge: Advisory, analytical work, strategies and knowledge products
- Convening power: bringing together across governments, IFIs, international development partners, civil society, etc.
- Debt management products
  - Reserves Advisory and Management Program (RAMP)
  - Derivatives

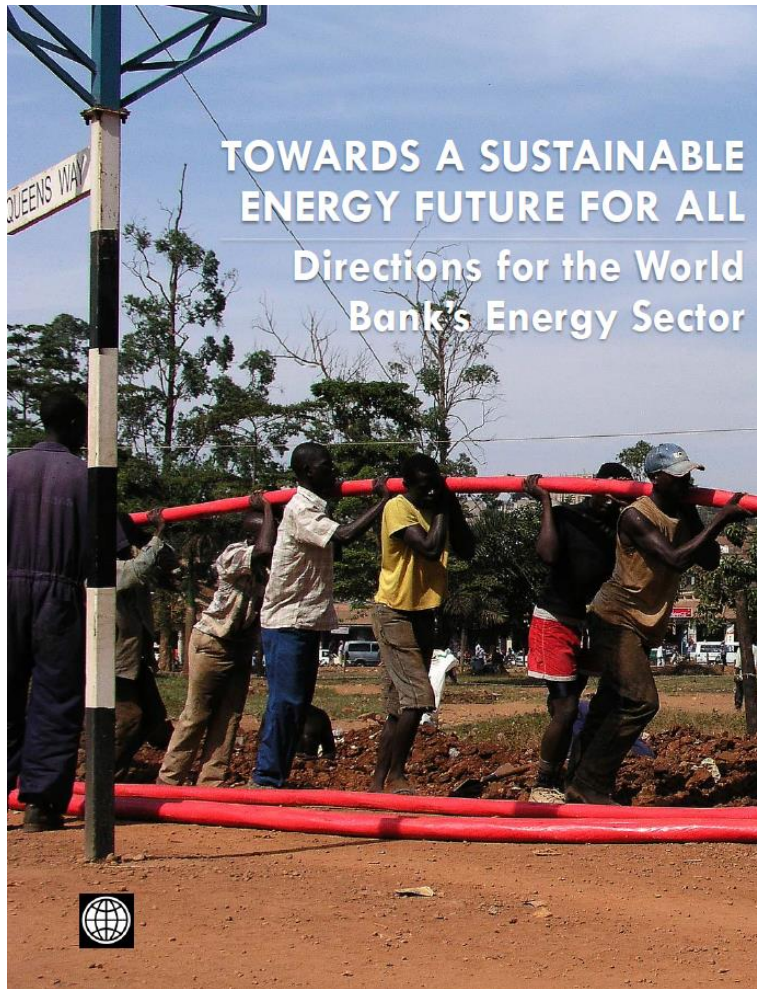
### IFC

- Financing that enables companies to manage risk and broaden their access to foreign and domestic capital markets
- Helps expand access to finance for MSMEs through financial intermediaries
- Advice to help unlock investment including environmental, social and governance standards, energy and resource efficiency, and supply chains
- Sectors: infrastructure, manufacturing, agribusiness, services, and financial markets

### MIGA

- Political risk insurance covers issues such as expropriation and breach of contract
- Can reduce the projects' financial risk for infrastructure, power and extractives
- MIGA cover can be used with WB and IFC for comprehensive project support
- MIGA can work alongside other DFIs and export credit agencies, depending on the project structure

# World Bank Energy Sector Objectives

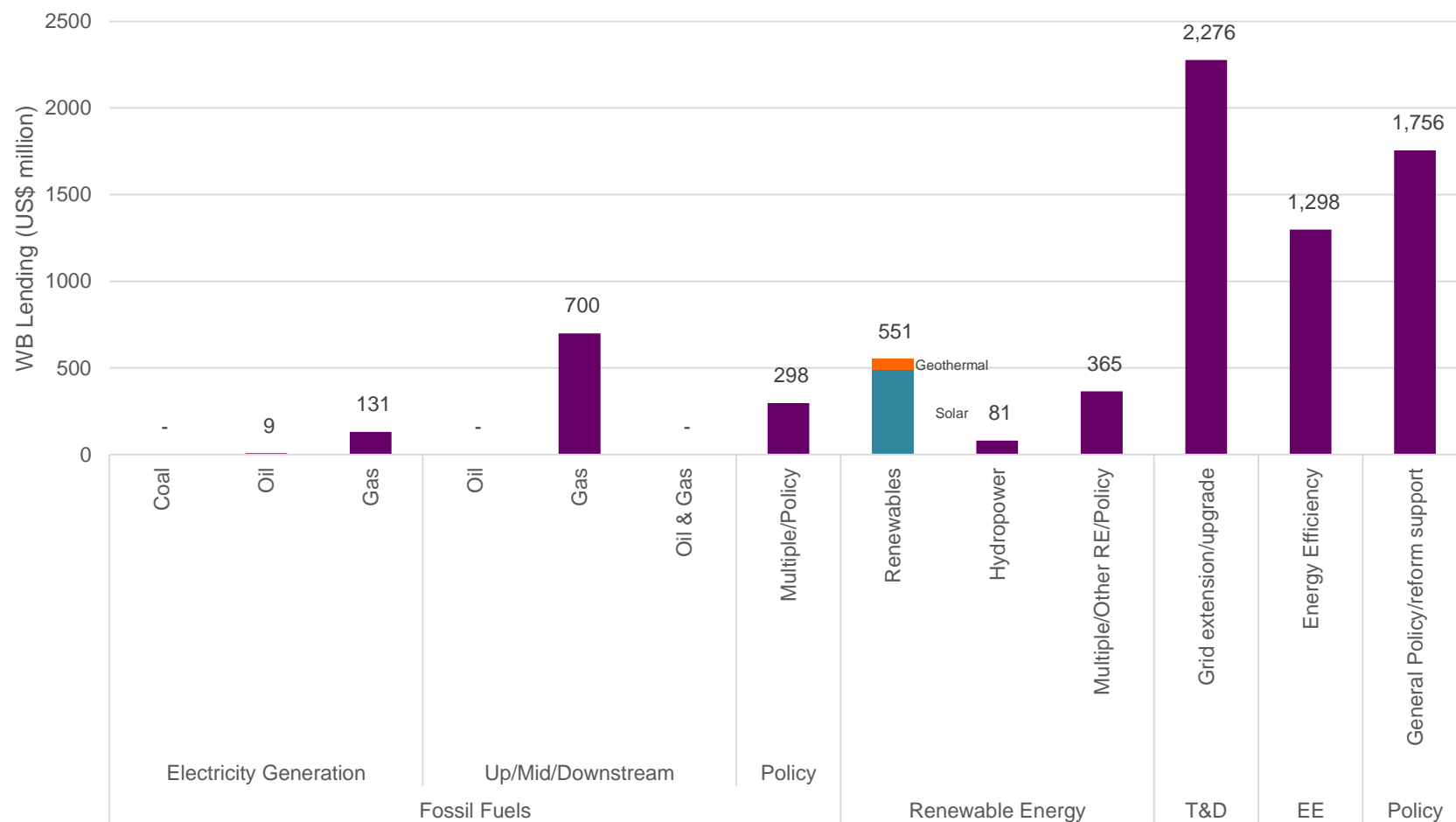


Support client countries in securing the **affordable, reliable,** and **sustainable** energy supply needed to end poverty and build shared prosperity

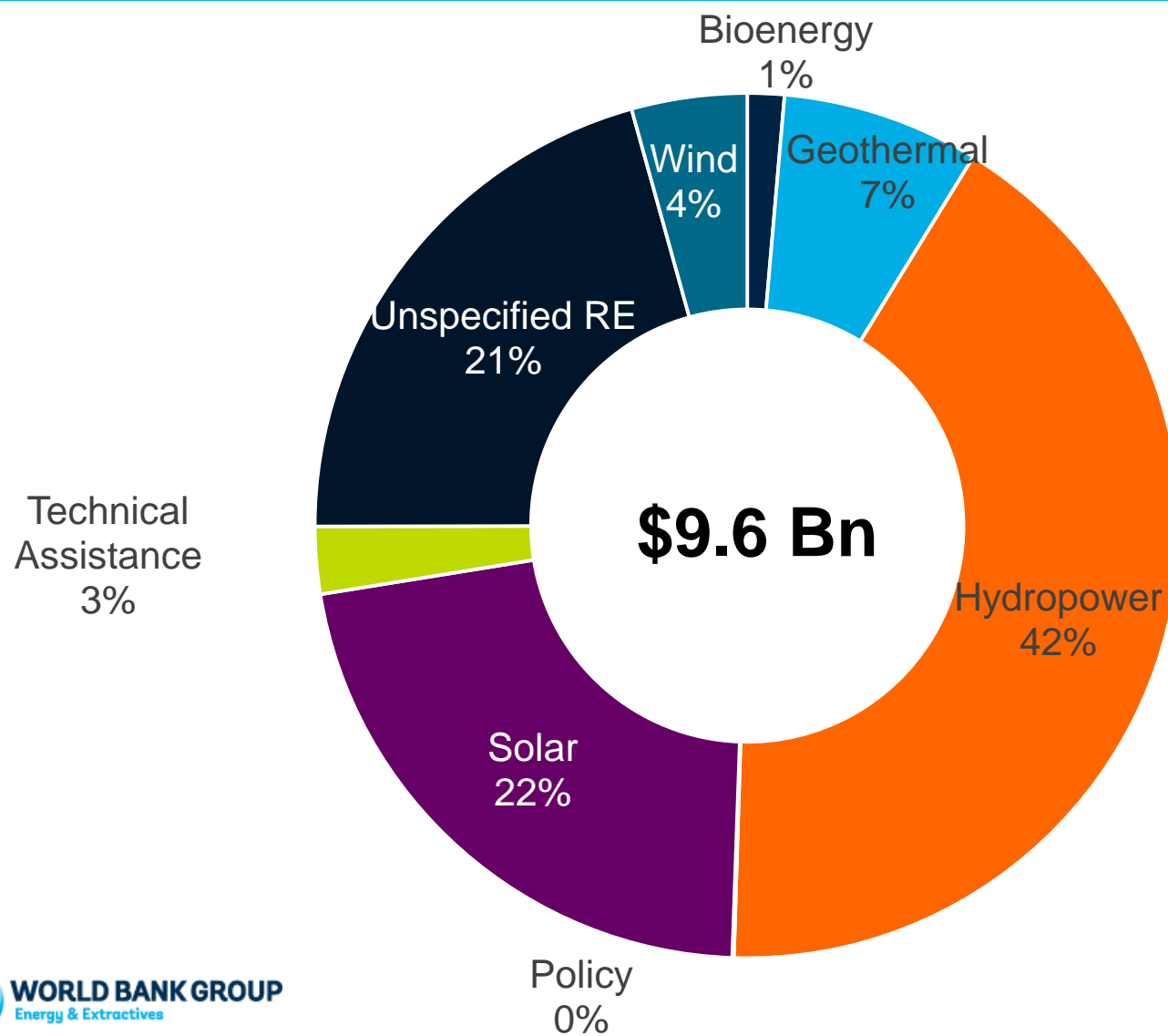
# World Bank Energy Sector Key Principles

1. **Focus on the Poor** - universal access to reliable modern energy
2. **Expand Renewable Energy**, i.e., hydro, wind, solar, geothermal, biogas
3. **Accelerate Efficiency Gains** through energy efficiency
4. **Create an Enabling Environment** via long-term, sector-wide planning, regional integration

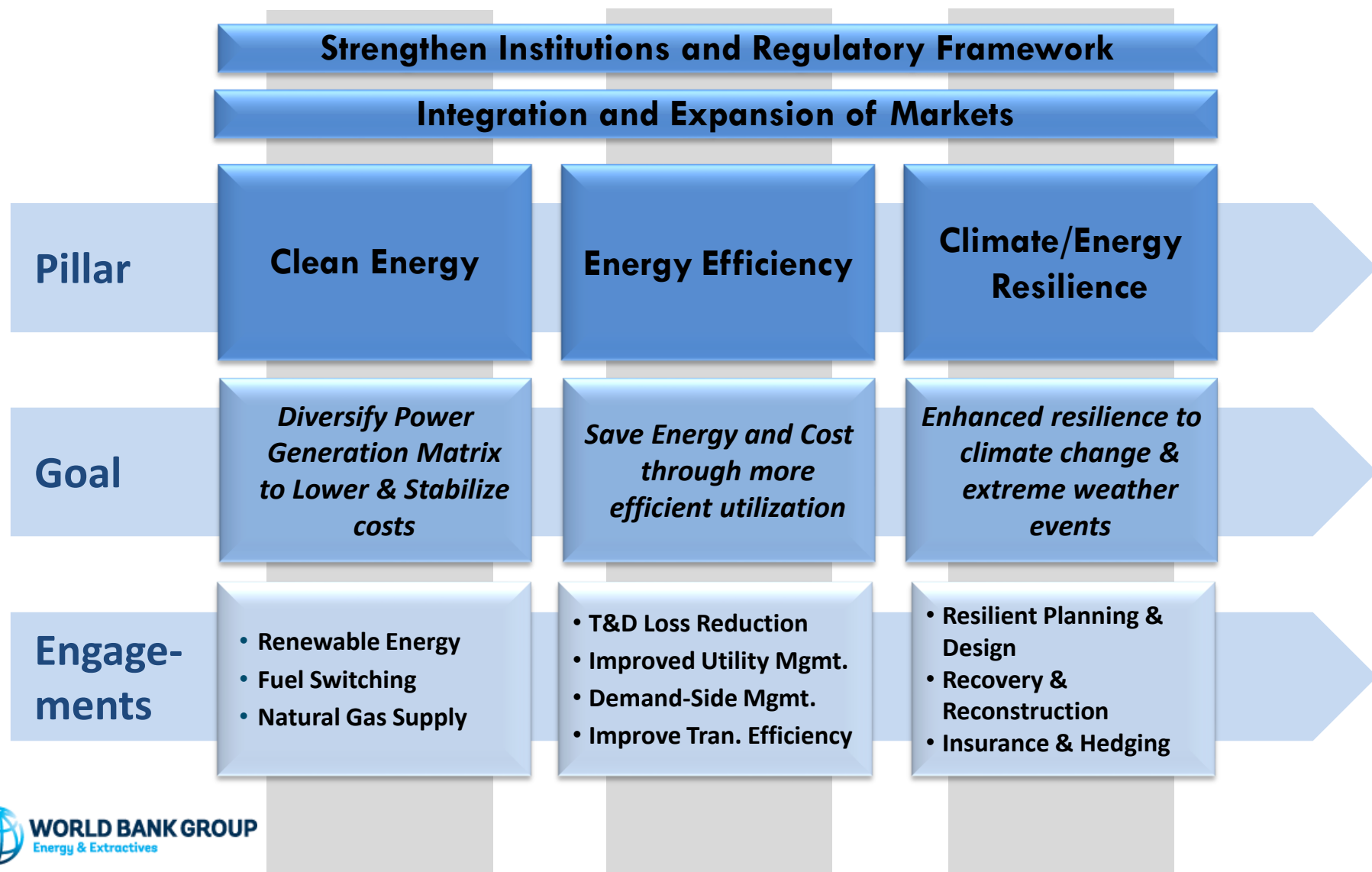
# WB Energy Sector Lending, FY2016



# WB RE Portfolio, FY2010-16








# Caribbean Energy Sector Engagement Framework



# Highlights of World Bank's Caribbean Program

## Technical Assistance

- Scaling up Geothermal  
- Policy Creation on Renewables and Efficiency 
- Rooftop PV pilot project in three countries 
- Regional Collaboration (C-SERMS Platform) 

## Loans & Grants

- ECERA - Regional institutional strengthening 
- Renewables and Efficiency 
- Grid Modernization and Rehabilitation 
- Renewables and Rural Electrification 

## Future Directions

- Urban Energy Access & Grid Modernization 
- Geothermal Project Investment  
- Energy system resilience 

# Types of Funding Available

# World Bank Group Financial Instruments

	Instrument	Terms	Government's role
IBRD	Loans ( <i>investment, technical assistance, development policy</i> )	LIBOR + spread, up to 18 years average maturity	Financial backing of host-country government
	Reimbursable Advisory Services	Full cost recovery	Governments & government institutions
	Partial risk guarantee/Partial credit guarantee		Government counter-guarantee
IDA	Grant		
	Credit	Little or no interest, 25 to 40 years repayment	
	Partial risk guarantee		Government counter-guarantee
MIGA	Political risk insurance		No government counter-guarantee
IFC	Loans, equity and quasi-equity investments	Market rates	No government guarantees of repayment

# Climate Investment Funds

## Clean Technology Fund

Finance scaled-up demonstration, deployment and transfer of *low carbon technologies*

### Investment Plans

- Support country and regional development strategies
- Leverage financial products of Multilateral Development Banks
- Stimulate private sector engagement

\$4.8 billion

## Strategic Climate Fund

*Targeted programs* with dedicated funding to pilot new approaches with potential for scaling up

### Pilot Program for Climate Resilience

Mainstream climate resilience into core development planning

### Forest Investment Program

Reduce emissions from deforestation and forest degradation

### Scaling Up Renewable Energy in Low Income Countries

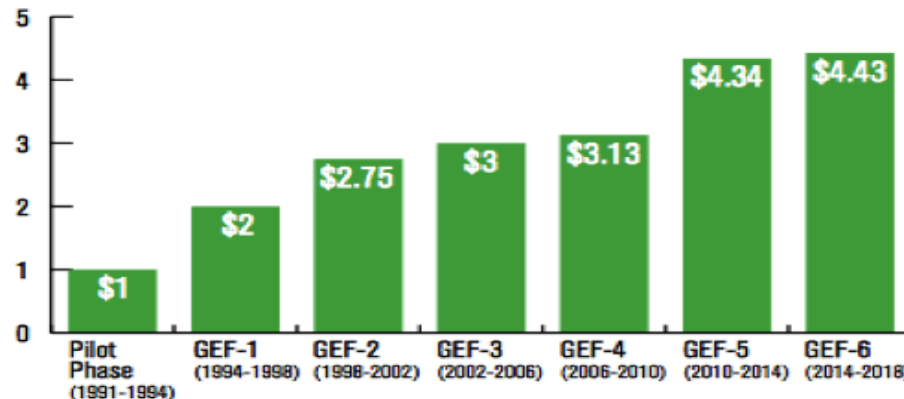
Create economic opportunities and increase energy access through renewables

\$ 2.3 billion

# Global Environment Facility (GEF)

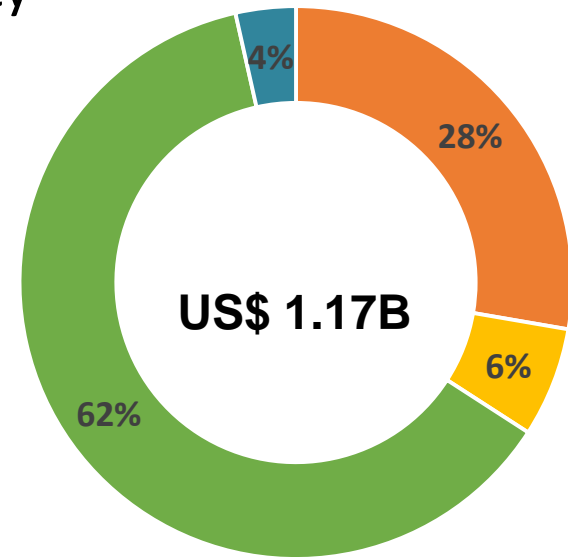
- GEF funds are available to countries to meet the objectives of the international environmental conventions and agreements
- In most cases, the GEF provides funding to support government projects and programs
- GEF focal area strategies include Climate Change Mitigation (RE, EE, etc.)
- Special Climate Change Fund (SCCF) supports adaptation and technology transfer in all developing country parties

**FIGURE 1 GEF REPLENISHMENT CYCLES**  
(in billion dollars)



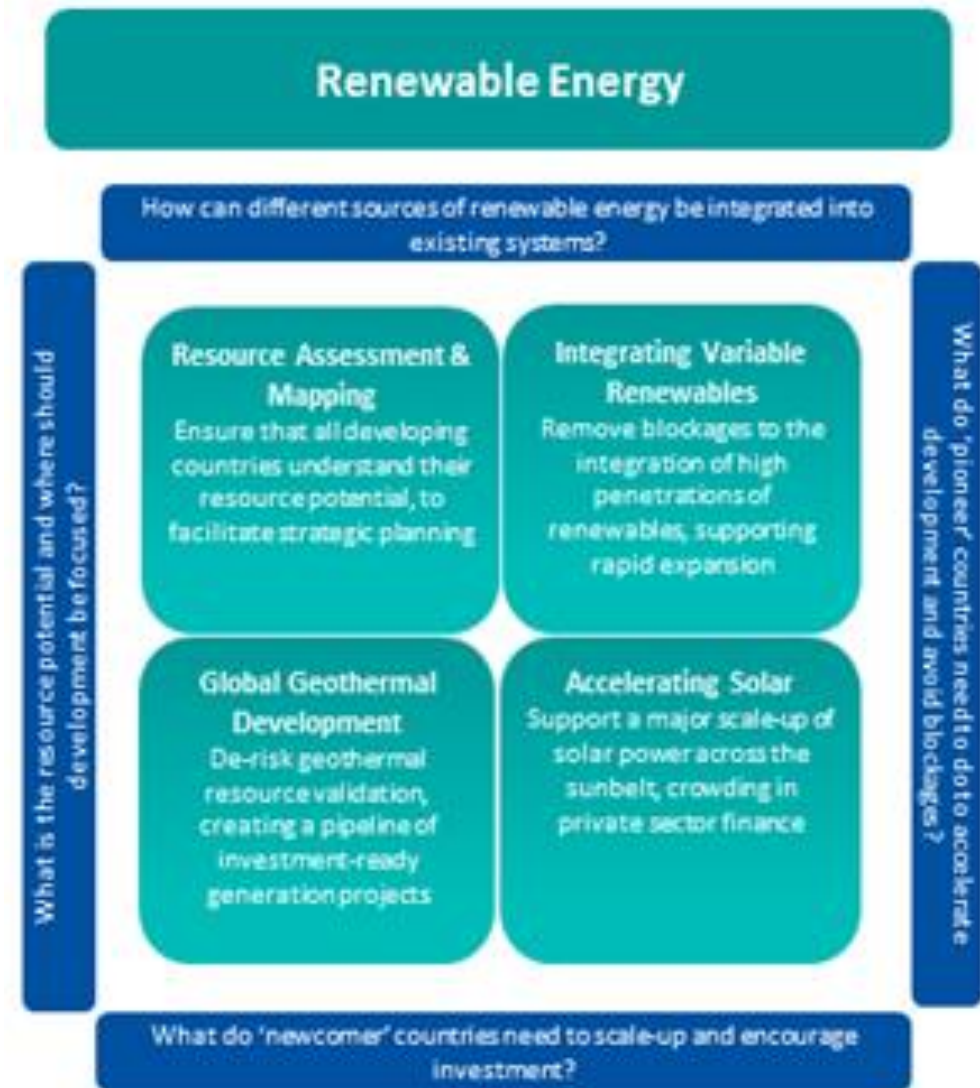
# Green Climate Fund (GCF)

- \$10.3 billion pledged over 2015-2018; \$9.9 billion signed
  - Plan to approve US\$ 2.5 billion per year in 2016 and 2017
- \$1.17 billion (27 projects) approved as of October 2016
  - Energy projects now account for majority
  - 9 projects for \$729m GCF funding
  - A few large proposals increase the share of energy



# Energy Sector Management Assistance Program (ESMAP)

- Multi-donor trust fund administered by the World Bank: Predominantly Bank-executed activities
- Major thematic areas: renewable energy, energy efficiency, & energy access
- FY17-20 Business Plan Target: \$216 million - \$300 million globally, US\$13M for LAC in FY16.



# THANK YOU