

Financing Clean Energy



The Role of the World Bank and Regional
Development Banks

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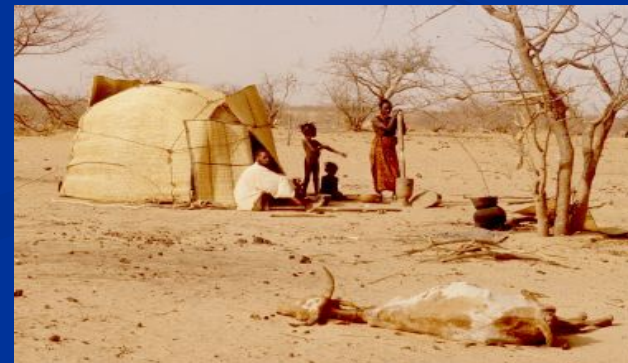
The World Bank

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Clean Energy For Development Investment Framework

- 3 Pillars:
 - Increase Energy Access in Sub-Saharan Africa
 - Transition to Low Carbon Economy
 - Adaptation to Climate Change



Financing Gaps

- Huge financing gaps exist just to meet the Business-as-Usual, or **high carbon** energy needs of developing countries.
- Incremental costs for Low Carbon energy in the order of **\$40 billion** per year for power in Developing Countries
- Existing Funding:
 - Private sector and commercial banks
 - MDBs: guarantees, concessional lending, limited carbon finance, GEF

Role of the MDBs

- MDBs support the scale-up of private investment through:
 - Policy Dialogue and Institutional Development
 - Risk Mitigation and Financing
 - Support for Technology Innovation
 - Incremental Low Carbon Financing

Incremental Low Carbon Financing

- GEF- on the order of \$200-300 million per year
- Carbon Finance- \$2 billion currently under management at WB
- New Carbon Funds
 - New Global Partnership Carbon Fund- for post- 2012 continuity
 - Multilateral Carbon Credit Fund
 - Carbon Fund for Europe
 - EIB funds: Risk Sharing, Climate Change, Technical Assistance, Renewable Energy
 - Forest Carbon Partnership Facility
- Discussing with Donor community large scale vehicle to meet the scale of the financing needs

MDB and APP Collaboration

- **Research agenda:**
 - Clean Energy London Conference follow up
 - IGCC, Oxyfuels, CCS, renewable energy
 - Bank research and best practices initiatives:
 - Demand Side Management, Hydropower, Market reform
- **Project implementation:**
 - Solar, CHP Systems, geothermal, regulatory barriers to RE, RE rural business hubs
 - The WB would need to get involved in the **Project Preparation** to ensure that they fit with our client's specific development strategies and that they meet Bank safeguards
- Collaborating on **Financing Vehicles** to support these projects.

Thank you!