Financing Access at the World Bank

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IEA Workshop on
Financing Energy Access for the Poor
Key Topics

• WBG Financing Trends
• Financing access
• Leveraging resources
• Public-private partnership
• Africa energy future
Sources of WBG Financing

- Support for energy comes from across the WBG.
- Totaled $44 billion+ since FY2003.
- 922 projects in 127 countries, as well as multi-country, multi-regional projects

Source: WBG Database
Public and Private Financing at WBG

- Public support includes IBRD loans and IDA credits.
- Private support includes IBRD/IDA and MIGA guarantees and IFC loans and syndication.
- Increase in public-backed financing since start of financial crisis.

Source: WBG Database
Support across the spectrum

• Providing reliable energy service requires investments in off-grid and grid solutions, including generation, transmission, and distribution; but also in energy efficiency and in support an enabling environment (policy)
Lack of Access and Poor Reliability

Hours of Electricity Outages per Month in Developing Countries

Sources: Various household surveys, Enterprise Surveys database
## WBG Financing for Energy

<table>
<thead>
<tr>
<th>Region</th>
<th>Grid Extension</th>
<th>Grid Supply</th>
<th>Off-Grid RE</th>
<th>Energy Efficiency</th>
<th>Policy / Regulation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>2,272</td>
<td>4,592</td>
<td>1,366</td>
<td>785</td>
<td>1,068</td>
<td>10,082</td>
</tr>
<tr>
<td>East Asia &amp; the Pacific</td>
<td>1,029</td>
<td>1,203</td>
<td>1,148</td>
<td>1,105</td>
<td>1,102</td>
<td>5,587</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>1,158</td>
<td>1,127</td>
<td>793</td>
<td>2,354</td>
<td>1,916</td>
<td>7,348</td>
</tr>
<tr>
<td>L. America &amp; Caribbean</td>
<td>699</td>
<td>853</td>
<td>823</td>
<td>1,008</td>
<td>1,680</td>
<td>5,063</td>
</tr>
<tr>
<td>Middle East &amp; N. Africa</td>
<td>509</td>
<td>1,663</td>
<td>146</td>
<td>151</td>
<td>192</td>
<td>2,661</td>
</tr>
<tr>
<td>South Asia</td>
<td>3,383</td>
<td>1,703</td>
<td>621</td>
<td>779</td>
<td>802</td>
<td>7,288</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,050 (24%)</strong></td>
<td><strong>11,141 (30%)</strong></td>
<td><strong>4,896 (13%)</strong></td>
<td><strong>6,182 (16%)</strong></td>
<td><strong>6,760 (18%)</strong></td>
<td><strong>38,030</strong></td>
</tr>
</tbody>
</table>

Source: WBG Database
Need for Leveraging WBG Resources

Every $1 of WBG resources brings in additional private and client investment:

- $0.84 extra in EE
- $1.84 extra in RE
- $1.44 extra in New Thermal Generation
- $0.29 extra in T&D

Source: WBG Database
Need for Public-Private Partnership

WBG Financing

Private Financing (PPI Database)

Percent of Total WBG Financing

Percent of Total PPI Investment

Sources: WBG Database and PPI Database

Policy
Transmission
Generation
Africa: Coverage and Affordability

Electricity Coverage

- First
- Second
- Third
- Fourth
- Fifth

Overall
LIC
MIC

Electricity Spending

- First
- Second
- Third
- Fourth
- Fifth

Overall
LIC
MIC

By Quintile

Source: Africa Infrastructure Country Diagnostic
## Possible Scenarios for Africa’s Energy Future

<table>
<thead>
<tr>
<th></th>
<th>Status Quo</th>
<th>Africa in 2020 Business as Usual</th>
<th>Africa in 2020 Concerted Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Installed Capacity GW</strong></td>
<td>78</td>
<td>81</td>
<td>100</td>
</tr>
<tr>
<td><strong>Power Consumption (kWh pc pa excl RSA)</strong></td>
<td>124</td>
<td>164</td>
<td>235</td>
</tr>
<tr>
<td><strong>Electrification (% of population)</strong></td>
<td>30</td>
<td>34</td>
<td>49</td>
</tr>
<tr>
<td><strong>Cost of Power (US cents/kWh)</strong></td>
<td>18</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td><strong>Hydropower (% of consumption)</strong></td>
<td>36</td>
<td>36</td>
<td>48</td>
</tr>
<tr>
<td><strong>Power Trade (% of consumption)</strong></td>
<td>16</td>
<td>16</td>
<td>40</td>
</tr>
</tbody>
</table>
Financing a target of 30GW of New Capacity in Africa over the Next Decade

<table>
<thead>
<tr>
<th>GW</th>
<th>Under Construction as of 1/1/2011</th>
<th>In Need of Preparation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>8.0</td>
<td>4.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Other Multilaterals</td>
<td>1.4</td>
<td>4.0</td>
<td>5.4</td>
</tr>
<tr>
<td>Emerging Financiers</td>
<td>4.8</td>
<td>4.0</td>
<td>8.8</td>
</tr>
<tr>
<td>Private Sector</td>
<td>1.4</td>
<td>3.0</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15.6</strong></td>
<td><strong>15.0</strong></td>
<td><strong>30.6</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$ Billion</th>
<th>Under Construction as of 1/1/2011</th>
<th>In Need of Preparation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>5.5</td>
<td>3.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Other Multilaterals</td>
<td>1.9</td>
<td>3.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Emerging Financiers</td>
<td>3.9</td>
<td>3.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Private Sector</td>
<td>2.2</td>
<td>3.4</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.5</strong></td>
<td><strong>13.7</strong></td>
<td><strong>27.2</strong></td>
</tr>
</tbody>
</table>
Conclusions

• Reliability, low cost supply and affordability

• Financing Trends: Importance of revitalizing PPP agenda

• Current leveraging sources of financing: Private-> Generation + Energy Efficiency; Public: T&D + Policy

• A possible access scenario for Africa by FY2020: Financing gap (US$14 billion for Generation)
Thank you

http://www.worldbank.org/energy