

Proposal for Reporting on Enabling Environment for Promoting Energy Investments

SREP Pilot Country Meeting

Maldives, May 2013

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World Bank**

Plan for today's session

- 15 min – Overview of proposed
- 45 min – Feedback with roundtable discussions
- 30 min – Group presentations

Objectives for the Assessment

- Create framework for assessing enabling environment for investments in clean energy access
- Contribute to domestic policy debate
- Comparison and benchmarking
- Monitoring progress over time

Relevance to SREP

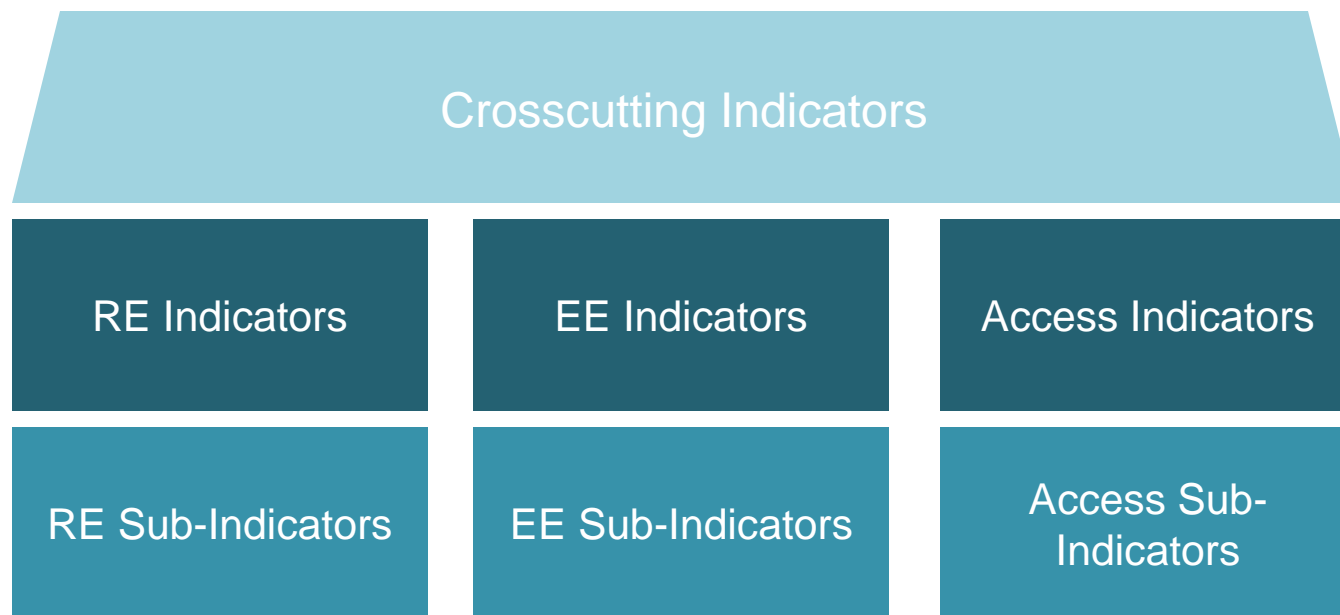
- Support public sector to set policy framework for catalyzing investments in clean energy and access
- Assess transformative impact on business-friendly environment
- Mobilize resources through increased private sector participation

Relevance to Other Initiatives

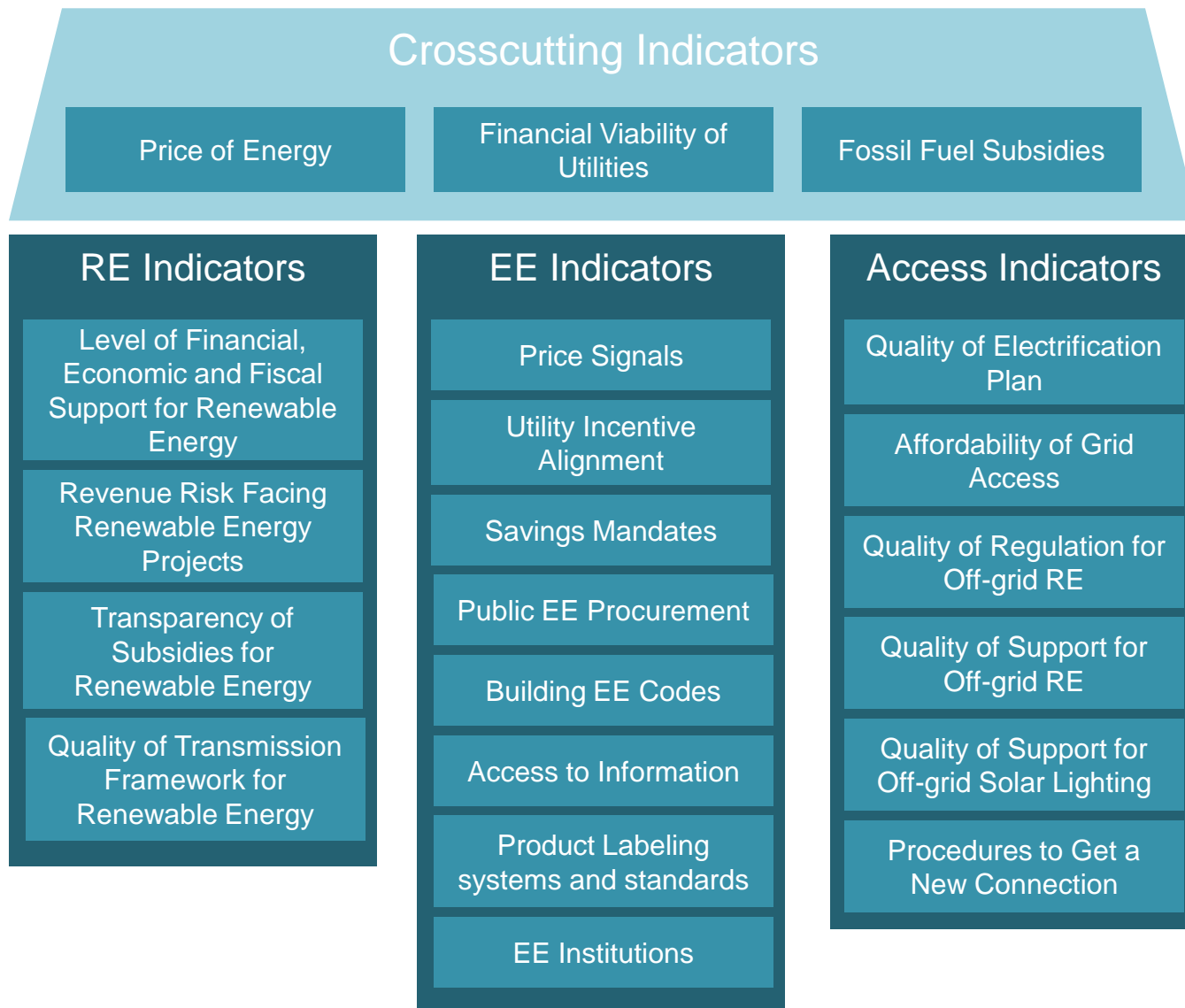
- Essential to create and monitor investment-friendly policy environment demanded by new level of Public and Private cooperation needed to achieve SE4ALL goals
- Complement Global Track Framework (GFT), which was created in collaboration with development partners and allows for tracking outcomes of all three SE4ALL goals

Approach

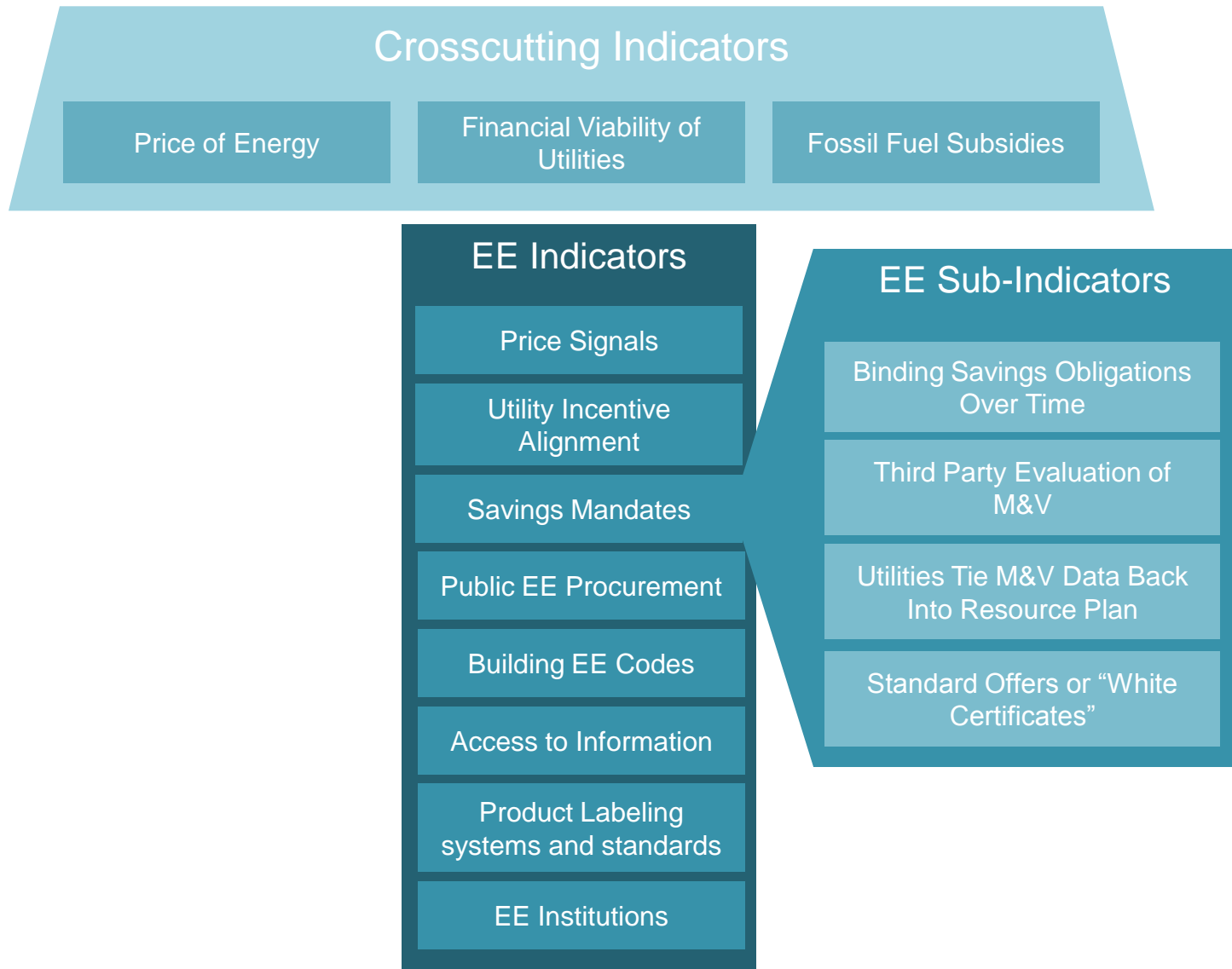
- **Policy focus** with coverage in all three **RE**, **EE**, and **Access**
- **Criteria**: objective, comparable, actionable, and context neutral



Indicators



Sub-Indicators



Sample RE Indicator and Sub-Indicators

INDICATOR	SUB-INDICATOR	WHY IS IT IMPORTANT?
<p>Revenue Risk Facing Renewable Energy Projects</p>	<p>The price paid for power purchased is contractually established for the duration of the power purchase contract</p>	<p>When remuneration levels are subject to unpredictable change (e.g. because they are pegged to fuel prices or system costs without price floors) creates revenue risk for RE projects</p>
	<p>Existence and type of a cost recovery mechanism for renewable energy subsidies and incentives</p>	<p>The existence of a sound cost-recovery mechanism for RE financial supports indicates that the government or utility is likely to disburse these supports to an RE project investor, which reduces investors' revenue risk. If direct transfer of funds from government is in place, a strong track record of successful direct transfers indicates future performance</p>
	<p>Availability of sovereign risk guarantees for renewable energy projects</p>	<p>Government and MDB risk guarantees are important for RE projects in the developing world. The availability of sovereign risk guarantees is an indicator of the availability of MDB risk guarantees</p>

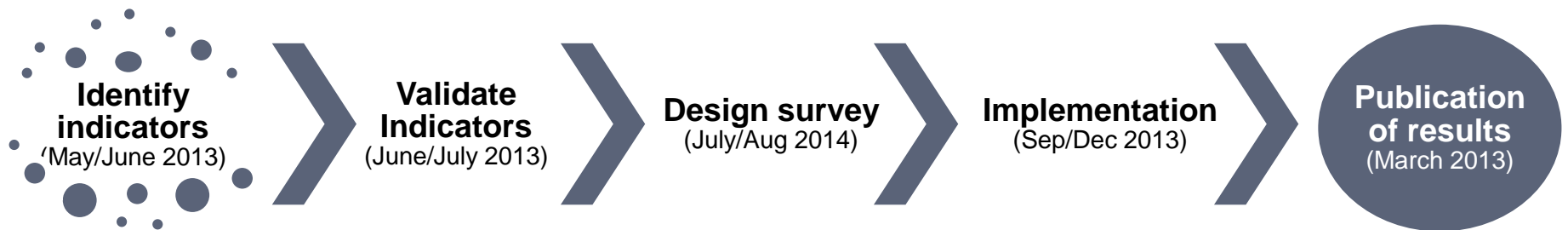
Sample EE Indicator and Sub-Indicators

INDICATOR	SUB-INDICATOR	WHY IS IT IMPORTANT?
<p>Savings Mandates for Energy Suppliers</p>	<p>Binding savings obligations over time</p>	<p>Binding energy savings obligations build confidence in the business community with regard to the longevity of programs and incentives for energy efficiency. Rigor in M&V is essential both to track progress against mandates, as well as to lay groundwork for standard offer systems, which can further grow the market for EE materials and services.</p> <p>When M&V data is used in utility investment decisions, investments in both demand and supply side EE can be weighed appropriately against investments in supply.</p>
	<p>Third party evaluation of M&V</p>	
	<p>Utilities tie M&V data back into resource plan</p>	
	<p>Standard Offers or “white certificates”</p>	

Sample Access Indicator and Sub-Indicators

INDICATOR	SUB-INDICATOR	WHY IS IT IMPORTANT?
<p>Quality of electrification plan or strategy</p>	<p>National vision for electrification</p>	<p>Long-term electrification planning can result in a more efficiently planned power grid because it allows planners to plan near-term electrification projects with future expansion in mind. It also allows off-grid mini-grid providers to position themselves strategically so they can be integrated into the grid when it arrives.</p>
	<p>Timeframe of electrification plan or strategy</p>	
	<p>Integration of grid and off-grid planning</p>	
	<p>Regularly Updated Cost-of-service Study</p>	<p>Cost-of-service studies help agencies use resources efficiently. More regularly updated cost of service studies allow for more accurate planning.</p>

Process



Instructions

As a table please:

1. Come to a consensus on the top 5 sub-indicators. Consider their relevance to all countries and the ease of collecting data on them.
2. Choose a minimum of 3 sub-indicators that should not be considered.
3. Write any ideas for indicators or sub-indicators that should be added.
4. Compile your final selections onto one piece of paper