



ACCELERATING COAL TRANSITION INVESTMENT PROGRAM

EVALUATION OF COUNTRY EXPRESSIONS OF INTEREST

REPORT OF THE INDEPENDENT EXPERT GROUP

OCTOBER 12, 2021

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INDEPENDENT EXPERT GROUP MEMBERS: INTRODUCTION

- Antonio Barbalho
- Rabia Ferroukhi, Co-chair
- Padu S. Padmanabhan
- Gireesh Shrimali
- Stratos Tavoulareas, Co-chair
- Gabriela Vidjen

STUDY GOAL AND OBJECTIVES

The independent expert group (IEG) is to perform the following tasks, in consultation with the CIF Administrative Unit and the MDB Committee:

- Review the Expressions of Interest (Eoi) template and selection criteria for the program.
- Evaluate countries' Eols against the assessment criteria established in Sections 6 of the Country Selection Process document.
- Present to the CTF Trust Fund Committee a ranked list of countries, along with recommendations, for the program.

CIF ELIGIBILITY CRITERIA AND IEG METHODOLOGY AND PROCESS

Country Eligibility Criteria

- ODA eligibility at the time of the EOI call.
- Eligibility for at least one of the following three sub-criteria to be met:
 - Generation of 4TWh or higher of electricity from coal.
 - 10% or higher of total electricity generation from coal.
 - Annual coal production higher than 4,000 Mt.
- Active lending program with at least one MDB

IEG Methodology & Process

- Complement the methodology and establish scores
- Allocation of Countries' EOIs by IEG members (Team)
- Individual Teams reviews and members meetings
- Feedback from CIF and MDBs
- Consolidation of Final Report

CIF ASSESSMENT CRITERIA

Criteria	Among others	Weight
Vision and ambition	The Country's level of ambition and how it seeks to use CIF resources to drive transformational change and help achieve its low-carbon development plan(s) or Strategy.	25%
Alignment, complementarity, demonstration/ transformational potential	The Country's dependency on coal; alignment with Country's climate strategies and plans; additionality and complementarity of CIF resources; potential and pace of replication, demonstration, and transformational change.	25%
Implementation and relevance	Key action areas, including potential activities/ project(s) and their readiness; contains evidence-based analysis on a range of issues; track record of engaging non-state actors; policy/ regulatory framework landscape; track record of MDB/ private sector engagement; co-benefits.	20%
Leadership	Active involvement and engagement of relevant ministries, line ministries and relevant subnational governments/ authorities.	15%
Social inclusion, stakeholder engagement, gender equality and just transition	Potential mechanisms and/or commitment for engaging and advancing the voice, skills, and livelihoods of women, indigenous peoples, youth organizations, local communities, environmental and climate NGOs, private sector associations, and civil society.	15%

REVIEW OF ASSESSMENT CRITERIA (1/2)

SCORING INTRODUCTION BY IEG

Assessment criteria	Metric	Scoring
Vision and ambition	<ul style="list-style-type: none"> • NDC commitments SDG/GHG reduction/ Resilient infrastructure Public commitment for GHG reduction, SDG, and Resilient infrastructure / Commitment to Reduce GHG via deploying RE + reliable & resilient energy systems / Strategy & measures for Just Transition - people support, gender, local communities. • Targets (ambition) Public commitments on GHG targets/ Specific coal phase-out targets: scope, size & speed 	<p>< 2°C: High 2-4°C: Medium > 4°C: Low (Based on Climate Action Tracker if available)</p>
Transformative potential	<ul style="list-style-type: none"> • Coal in power generation (dependency plus coal retirement ambition) Coal % in power capacity/ coal % in electricity mix/ Amount of coal production closure/ % coal electricity generation closure Alignment of plans/ Value of CIF/ Replication potential - until 2040/ New stranded assets envisaged in the coal replacement strategy. 	<p>> 66%: H 33-66%: M < 33%: L</p>

REVIEW OF ASSESSMENT CRITERIA (2/2)

SCORING INTRODUCTION BY IEG

Assessment criteria	Metric	Scoring
Implementation and relevance	<ul style="list-style-type: none"> • Readiness of plans including a track record of projects (MDBs) and other stakeholders (private sector, NGOs) • Indicators for implementation and relevance Institutional and/or policy frameworks for supporting a coal-to-clean transition / Approaches for the transition and supporting policies and regulations to avoid coal-related stranded assets / Interest and track record in harnessing RE / Potential of renewable energy-based generation / Expected benefits, and co-benefits / Private sector engagement. 	<p>Ready to go: H</p> <p>In progress: M</p> <p>Not started: L</p>
Leadership	<ul style="list-style-type: none"> • Government commitment of relevant ministries • Indicator of demonstration of commitment Articulated Engagement - National level Articulated Engagement - National-Regional-Municipal levels 	<p>All: H</p> <p>Some: M</p> <p>None: L</p>
Just transition	<ul style="list-style-type: none"> • Inclusion of social consideration • Indicator of demonstration of commitment Diversity engagement (gender, local communities, indigenous, youth organizations, NGO, Private sector, civil society)/ Implementation mechanisms. Focus on creating of jobs and economic value. 	<p>Comprehensive: H</p> <p>Moderate: M</p> <p>None: L</p>

EOIS ASSESSMENT RESULTS

OVERALL RANKING

Assessment criteria	Criteria Weighting	South Africa	India	North Macedonia	Morocco	Philippines	Indonesia	Bosnia and Herzegovina	Namibia	Dominican Republic	Botswana	Colombia	Ukraine	Bangladesh	Kazakhstan
TOTAL SCORE		88	85	83	83	83	82	80	78	77	76	76	72	71	69
Vision and Ambition	25%	80	95	88	85	95	88	83	80	81	80	81	75	75	75
Alignment, Complementarity, Demonstration/ transformational potential	25%	90	95	85	85	85	84	80	80	78	80	73	75	70	70
Implementation and Relevance	20%	90	80	73	80	75	78	70	75	74	75	74	70	65	70
Leadership	15%	90	75	83	80	80	78	83	75	84	70	84	67	75	65
Social Inclusion, Stakeholders Engagement, Gender Equality and Just Transition	15%	90	70	83	80	70	76	83	80	67	70	67	67	70	60

OVERVIEW OF EOI_s' ASSESSMENT RESULTS

- Two countries seems clearly at the top scoring: South Africa and India.
- A second group where countries come close to each other (difficult to separate them): Bosnia Herzegovina, Indonesia, Morocco, Northern Macedonia and Philippines.
- Botswana, Colombia, Dominican Republic and Namibia: Ambitious plans; worth supporting too.
- Kazakhstan and Ukraine: transformative cases with scale, and in need of further preparation, clear goals and governments' commitment.
- Bangladesh: requires clarity on what will replace cancelled coal plants and the overall generation mix in the future.

EOIs ASSESSMENT RESULTS

REGIONAL RANKING

- South Africa
- Morocco
- Namibia
- Botswana

Africa



- India
- Philippines
- Indonesia
- Bangladesh

Asia



- North Macedonia
- Bosnia and Herzegovina
- Ukraine
- Kazakhstan

Europe and
Central Asia



- Dominican Republic
- Colombia

Latin
America



IEG RECOMMENDATIONS

- **The Just Transition should be the central point of the ACT Investment Program.**
 - The topic seems not to have been assessed adequately by most countries. Social impacts could be severe and last for years unless appropriate measures are taken.
 - The Just Transition strategies is the **Broad Plan**; not as an after-thought to financing transition of assets. The social dimension needs to be addressed from the beginning and is essential part of a comprehensive coal phase-out initiative.
 - MDBs should be prepared to provide both TA and lending operations going beyond the implementation of E&S safeguards only.
- **Enabling capital mobilization from the private sector is essential to complement public funding.**
 - Encourage piloting and deploying innovative business models to accelerate retirement of coal plants and dealing with stranded assets (e.g., Troubled Asset Relief Program (TARP)).
- **The energy-water nexus impacts countries resorting to hydropower complementing conventional RE in coal-phase-out strategy.**
 - The CIF (with relevant areas and other Trust Funds) should encourage developing a framework as part of the coal phase-out program.

IEG RECOMMENDATIONS

- **Pragmatically, different energy sources (e.g., natural gas) and technologies may have to be used as transition-sources and should be limited in time.**
 - Clear transition strategy should be laid out with end goals and intermediate milestones.
 - The CIF members and the MDBs may have to take a position on the eligibility of Carbon Capture, Use, and Storage (CCUS).
- **Nearly all the countries analyzed could benefit from technical assistance to develop clear coal phase-out plans and prepare the first specific actions. TA activities may include, but not limited to:**
 - Just transition strategies at its core and with emphasis on social issues and governance.
 - A holistic power system analysis required to ensure adequate energy resources are in place during the phase-out.
 - Clear understanding of how the power system will evolve is required. Plant repurposing should be prioritized over retirement.
 - Innovative financing architecture required, bringing together public and private investments and market solutions (e.g., building on the experience of IDB and Chile; ADB's ETM, coal phase-out swaps, and debt instruments, etc.).
 - Designing policies and regulatory initiatives to assist the coal phase-out program.
- **TAs should be provided (if not through CIF, then through other funding sources) to more than the current 14 countries.**

APPENDIX

- IEG members short-Bios
- Evaluation approach
- Methodology (addl.)

INDEPENDENT EXPERT GROUP MEMBERS

SHORT BIOS

- **Antonio Barbalho:** Former staff member at the World Bank Group from 2009. He was the Practice Manager for Energy in Latin America and the Caribbean Region until 2019 and Sector Manager and Global Head for the Energy and Extractive industries at the Multilateral Investment Guarantee Agency (MIGA). He has extensive international experience in corporate and project finance and trading in the oil and gas, mining, energy, utilities, and financial sectors. Previously he held several senior positions at Deutsche Bank (UK) and Eletrobras Group (Brazil).
- **Rabia Ferroukhi, Co-chair:** is an international economic development expert dedicated to sustainable energy and progressive socio-economic development. She is currently the Director of the Knowledge, Policy and Finance Centre at IRENA where she oversees the Agency's work on knowledge, policy and finance, including: authoritative renewable energy data; analysis of best practice in renewable energy policy and finance; quantitative and qualitative analysis of the socio-economics of the energy transition, including jobs, gender, just transition, industrial and labor policy implication; provides advice and technical support to countries.
- **Padu S. Padmanabhan:** Former Program Director of the South Asia Regional Initiative for Energy (SARI/E) and Senior Energy Advisor for USAID/India's bilateral program. Four decades of experience in the planning of utility clean coal programs, energy efficiency programs, power sector reforms, regional energy integration, energy-water nexus, renewable energy and energy access projects.

INDEPENDENT EXPERT GROUP MEMBERS

SHORT BIOS

- **Gireesh Shrimali:** is a Precourt Scholar at Stanford University. Previously, he was the Director of Climate Policy Initiative's India Program. He has taught at the Middlebury Institute of International Studies as well as the Indian School of Business. His research focus is on renewable energy finance and policy, on the catalytic role of finance in getting to the 2C target, and on provision of low-cost, long-term capital for clean energy transition. He holds a PhD from Stanford University, an MS from the University of Minnesota, and a BTech from the Indian Institute of Technology.
- **Stratos Tavoulareas, Co-chair:** 40 years experience in the power sector starting as a Design Engineer for coal power plants; then worked on new power generation and environmental control technologies; and power sector consultant worldwide. Extensive experience in power sector policies and project finance. He retired from IFC where he was the Global Power Lead for Advisory Services. He has worked on most of the countries which have submitted EOIs.
- **Gabriela Vidjen:** is an international expert in energy economics, regulation and strategy. During her almost 20 years of experience in the natural gas and electricity markets, she led many challenging projects for the private sector, governments and multilateral institutions. Gabriela was part of the Engie group for 12 years, until 2019. Her last position was as Head of Strategy, Markets and Risk Management in Engie Argentina, reporting to the CEO. Before that, she led the consultancy business unit for Latin America and the Caribbean. At the beginning of her career, Gabriela was part of the consultancy team of Dr. Raúl García, an international advisor and former president of the Argentinean natural gas regulatory agency.

IEG EVALUATION METHODOLOGY

- **Country groupings:**
 - South and East Asia (SAP): Bangladesh, India; Indonesia, Philippines
 - African (AFR): Morocco, Namibia, Botswana and South Africa
 - Europe and Central Asia (ECA): Bosnia and Herzegovina (BiH), Kazakhstan, North Macedonia (RNM) and Ukraine,
 - Latin America and the Caribbean (LAC): Colombia, and the Dominican Republic.
- **Select two members of the IEG team to take the lead for each region** (The ECA countries were split into two sub-groups and shared with the AFR and LAC Teams)
- After an initial review of the EOIs, each team reached a shared vision about their respective set of countries, underpinned the basis for their opinion, and indicated a preliminary score for each Country. **The IEG** discussed each Country's EOI and supportive information & data extensively (in numerous meetings), compared them in terms of the CIF's assessment criteria and **reached a consensus on the global and regional rankings.**
- **The IEG meet with the CIF-AU team and MDBs on September 23 and 24, 2021** to receive feedback and validate the IEG understanding whenever applicable.

METHODOLOGY (ADDL.)

INFORMATION PROVIDED IN EOIS

The information provided in the EOIs and related documents were evaluated but did not affect the score

- Key details not provided: One pt.
- Information missing but key details provided: Two pts.
- Adequate information provided: Three pts.