

***Status of ESMAF Portfolio of Projects:***

*As of December 31, 2005*

Special Series

005/06

February 2006

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# Energy Sector Management Assistance Programme

## Foreword

This report presents the status of ongoing ESMAP projects for the six-month period ending December 31, 2005. Its primary audience is the community of ESMAP donors and partners.

**It is important to note that commitment and disbursement information for all projects is based on a new World Bank-wide financial reporting tool.** Since this tool is being harmonized with ESMAP financial information records, commitment and disbursement figures for some projects may not reflect actual changes in project budget status over the reporting period. Budget information for projects whose allocations are kept in donor country currencies may also experience discrepancies due to foreign exchange fluctuations.

While we have given close scrutiny to the data presented in this report, we would appreciate it if readers of this document can point out any discrepancies they may be able to identify. ESMAP intends to remove any such discrepancies before the end of the current reporting period.

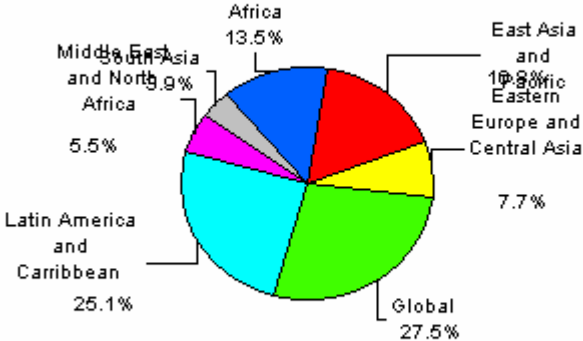
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ESMAP  
Washington, D.C., United States of America  
February 2006

# ESMAP Portfolio at a Glance as of December 31, 2005

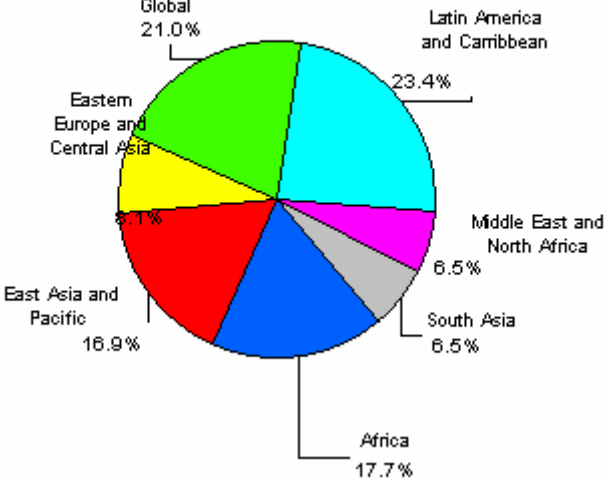
## Breakdown by Geographic Area

(as a % US\$ Value)



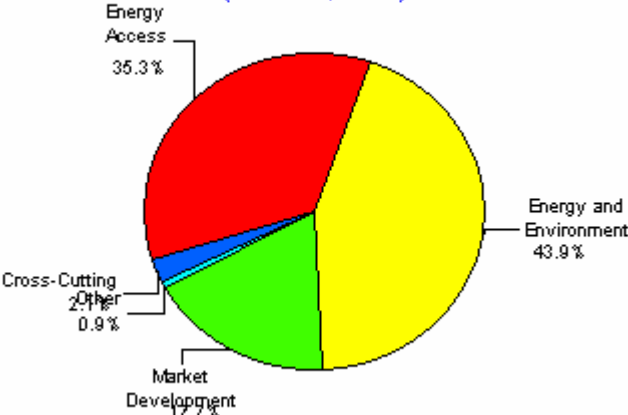
## Number of Projects

by Geographic Area



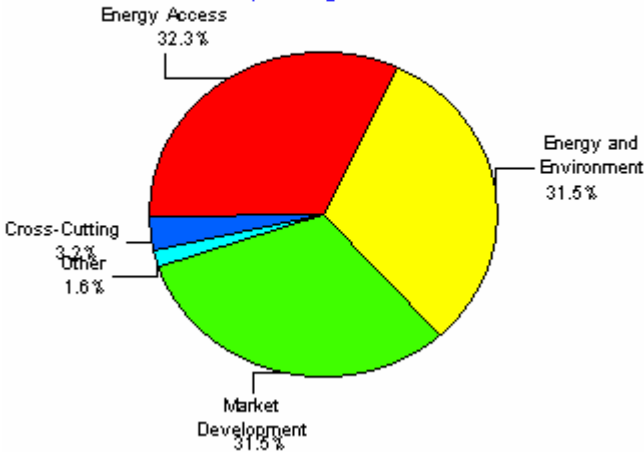
## Breakdown by Strategic Area

(as a % US\$ Value)



## Number of Projects

by Strategic Area



**Project Title:** Demand Side Management in a Restructured Industry

**Region / Country:** East Asia and Pacific--China

**Origin of Funds:** Core

**Task Manager:** Jianping Zhao

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The final report is in the process of publication. But the key gradients of the report were completed over a year and the main part was translated into Chinese. So the key messages were delivered to a much large audience long time ago.

Outcome and Impact. DSM used to be considered as a short measure to mitigate power shortage. Now it is fully recognized by the utility and government that DSM should be constant tool to be used to promote the efficient consumption of electricity. DSM in the power industry has been formally made as the priority as recommended by the study in times of both supply shortage and adequacy. Leadership and organization for DSM has been strengthened. DSM has been made as Power supply company's service obligation. Pricing reform is being considered and a lot of studies have been initiated to analyze in details the DSM potential, assess the costs and benefits of DSM investment. A detailed DSM plan is being developed (we were asked to support, but did not because of resources constraint). On the Bank side, the country unit has provided a BB budget to support a detailed pricing study to develop detailed pricing policies, methods and implementation strategies to encourage efficiency in the power industry as a follow up to the ESMAP work.

Our work only analyze overall picture and outlines the general direction and policy framework. Implementation of some recommendations needs detailed analysis and work in many areas. But the Bank can not follow up on everything.

I would not say that all these are happening because of our single small study. It just coincides with the current government first priority to build a resource efficient society. But we were a little ahead of them.

China wanted to have the conference at a time when government intends to scale up hydropower development but many voices are appearing because of the WCD report and World Bank's lending shrinking to dam project. Certainly it achieved the government's objective to demonstrate that the international community supports hydro as long as environmental and social issues are properly addressed. One can say that hydro development is gaining new momentum in China (develop 100-140 GW in the next 15 years), and more attention is being paid to environmental and social issues.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$32,827	\$17,173
<b>World Bank (BB)</b>	\$0	\$864	\$0	\$0	\$864	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$50,864	\$0	\$0	\$33,691	\$17,173

**Project Title: Development of Pro-poor National Heat Pricing and Billing Policy**

**Region / Country: East Asia and Pacific--China**

**Origin of Funds: Netherlands; Germany**

**Task Manager: Robert P. Taylor**

**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec 2005: Implementation of the second phase of the ESMAP-financed TA project has been substantially completed. It is part of the AAA work program anchored by the GEF project "Heat Reform and Building Energy Efficiency".

At the final national dissemination workshop in Huludao, Liaoning Province, in July 2005, the results were disseminated to participants from central government and officials and experts from almost all the Northern provinces. There was broad agreement that the heat pricing methodology originally developed for Tianjin and then also investigated for Changchun, Harbin and Taiyuan is generally applicable in Northern China.

The heat pricing methodology developed by the Bank, together with the Ministry of Construction and Tianjin Municipal Government, is being implemented for 2 million square meters of residential heating in Tianjin, starting this winter. This large-scale application of bill collection according to a two-part tariff of metered heat consumption and heat capacity utilization, developed by the joint study team, is the first in China. If successful, it is expected to provide a model for price reform in other northern cities--with a tremendous impact in terms of improved energy efficiency and reduction in coal-based air pollution.

A summary note for the ESMAP Knowledge Exchange Series on "Heat Pricing and Billing Reform in China - An important step towards energy-efficient heat supply and buildings" will be available in January 2006. The final report of the ESMAP Heat Pricing Study is being prepared and will be completed during the first quarter 2006.

A follow-up ESMAP project on "Heat Regulation" has been approved and will start implementation in January 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$539,880	\$539,880	\$1,200	\$0	\$492,962	\$46,918
<b>World Bank (BB)</b>	\$20,000	\$24,703	\$0	\$0	\$24,703	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$559,880	\$564,583	\$1,200	\$0	\$517,666	\$46,918

**Project Title:** Introducing the Concepts of ESCOs to Belarus

**Region / Country:** Europe and Central Asia--Belarus

**Origin of Funds:** Germany

**Task Manager:** Maha J. Armaly

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Activities, Outputs towards achievement of Objectives.

This activity is now completed. The objective was to exchange knowledge that would assist Belarus in its efforts to establish ESCO like operation as part of its energy efficiency objectives. The report gives an overview of the Belarussian situation and compares it with other countries. A visit to Ukraine to exchange views with UKRESKO was completed.

Outcome and impact. The Belarussian side found the exchange of views with UKRESKO the best part of the task as it allowed them to see firsthand how this is being handled in Ukraine. Other examples given in the report were "academic" in nature. The report tried to fit the possibilities and recommendations to Belarus's specific situation, where the energy sector is dominated by government policies and lack of private sector interaction. Belarus will need to take additional market reforms to attract private sector participation. The report was useful to the Bank in understanding further the energy sector in Belarus.

Disbursement Projections. The task is complete and no further disbursements will take place.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$213	\$49,787
<b>World Bank (BB)</b>	\$0	\$48,536	\$0	\$0	\$48,536	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$98,536	\$0	\$0	\$48,749	\$49,787

**Project Title:** Lithuania - Heating Supply to Small Cities/Towns

**Region / Country:** Europe and Central Asia--Lithuania

**Origin of Funds:** Core

**Task Manager:** Gary Stuggins

**Summary of Current Project Status, Issues and Actions:**

For the Period Jul-Dec 2005: This project has been a struggle, due to the poor quality of the text from the Lithuanian consultants. The first two rounds of reviews were solely designed to make the text comprehensible before we could start on substance in version 3. I just received version 4, where they have included a sensitivity analysis that was in their TOR but not in the text. They dealt with it by showing three graphs - apparently they have learned to avoid writing text. I have asked for the text (probably 2-3 paragraphs) which will probably take them into January. Yet another delay.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$278,441	\$278,441	\$0	\$0	\$282,082	-\$3,641
<b>World Bank (BB)</b>	\$69,000	\$670	\$0	\$0	\$670	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$347,441	\$279,111	\$0	\$0	\$282,752	-\$3,641



**Project Title: Innovative Energy Efficiency Financing Mechanism**

**Region / Country: Europe and Central Asia--Poland**

**Origin of Funds: Germany; Core**

**Task Manager: Peter Johansen**

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**Summary of Current Project Status, Issues and Actions:**

For the period Jan-June 2005: The project objectives were to:

- a) identify interested lenders and borrowers and potential projects;
- b) create a Special Purpose Entity (SPE) or financial intermediary to organize a pool of qualified projects and present the portfolio to banks and other sources of capital. Alternatively, create a facility through which participating financial intermediaries channel funds to eligible projects and borrowers. Preferred choice of arrangement will need to be determined based on the market feasibility survey to be conducted early in the process. This entity or facility may be hosted by an existing organization to ease entry into operation;
- c) lower transaction costs by developing standard transaction documents and operating procedures for the SPE. This includes creating a revolving audit fund to make short-term loans for the initial cost of energy audits;
- d) mitigate risk by spreading the lending over a portfolio of qualified projects and connecting the portfolio to available credit enhancements; and
- e) improve the comfort of both borrowers and lenders by creating a process that is standard, transparent and more predictable.

Much of the work under this contract calls for developing transaction documents and funding criteria for an SPE intermediary. The SPE should be developed with actual pilot projects to ensure that the structure of the SPE reflected the unique financial and market conditions in Poland. In an effort to identify projects for SPE or pooled financing, the project initially worked with a number of housing projects and the local district heating company in Gdansk (GPEC). As a result of that work, two energy efficiency projects, valued at \$1.2 million, were implemented and the team developed a special financial program to make the Polish Thermo-Modernization program more assessable to lower-income housing projects. Unfortunately, GPEC's involvement as a potential SPE financial intermediary has not materialized due to a change in management. This required the project to seek new partners for the project after extensive time was expended with GPEC representatives and local housing associations.

The project is also working with the City of Zwolen preparing SPE financing for a pool of municipal buildings. Energy audits have been carried out and transaction documents are under preparation

Finally the project is working with the Marshall's (regional mayor) office of the Masovian Voivodship to structure financing for a major hospital energy rehabilitation project that will combine several sources of financing and credit enhancements.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$300,000	\$300,000	\$135,000	\$1,097	\$164,533	\$135,467
<b>World Bank (BB)</b>	\$25,000	\$14	\$0	\$0	\$14	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$325,000	\$300,014	\$135,000	\$1,097	\$164,547	\$135,467

**Project Title:** Developing Financial Intermediation Mechanisms for Energy Efficiency Projects in Brazil, China and India.

**Region / Country:** Global

**Origin of Funds:** United Nations Environment Programme; Netherlands; Core

**Task Manager:** Chandrasekar Govindarajalu

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. What is the OUTCOME AND IMPACT of this work to date: The project is on track for meeting its DO of "developing (strengthening/improving) new and/or existing energy efficiency delivery systems which successfully package financial and technical expertise" and has achieved substantial success in leveraging commercial finance for energy efficiency. In China, the ongoing guarantee fund has scaled up its operation in 2005, and has now provided guarantees for 52 projects totaling 237million RMB in investment. In India, a fourth Bank has just announced the launch of a new dedicated scheme for EE lending, and BNDES in Brazil will present a proposal to its Board of Directors for the launch a new energy efficiency guarantee facility.

The ESCO Activities are under implementation, and progress has been satisfactory. Training activities have been completed or are under implementation in all three countries, and the project has catalyzed (and supported) the formation of a new energy efficiency business association in India. The equity activities are complete, as are most of the other project sub-components. The fourth international cross exchange has been successfully completed, and the level of knowledge which has been transferred is quite high. A special session was organized between the Chinese and Indian Banks following the close of the fourth exchange to further increase the level of knowledge transfer about the financial sectors in each country.

2. DISBURSEMENT PROJECTIONS: The project is expected to fully disburse by the close date, which is in the next half year.

3. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT: The date of completion is unchanged and no delays are expected.

4. HIRING OF CONSULTANTS: NA

5. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES: Update on the preparation of any reports and/or plans for brown bag lunches, presentations, workshops, seminars or courses pertaining to your ESMAP activity.

14 project publications are available for download at <http://www.3countryee.org/publications.htm>

Presentation on this topic will be included at World Bank Energy Week March 2006. The Final Synthesis Report and Three Country Reports are currently under preparation

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,525,904	\$1,210,887	\$182,438	\$113,867	\$1,029,813	\$181,074
<b>World Bank (BB)</b>	\$63,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,588,904	\$1,210,887	\$182,438	\$113,867	\$1,029,813	\$181,074

**Project Title: Knowledge Transaction: Reducing Energy Costs in Water Supply Operations**

**Region / Country: Global**

**Origin of Funds: Core; Sweden**

**Task Manager: Amarquaye Armar**

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**Summary of Current Project Status, Issues and Actions:**

For the period July-Dec 2005: The World Bank's Energy Sector Management Assistance Program (ESMAP) has been sponsoring a learning-while-doing approach to transfer know-how and on-the-ground experience with Energy M&T to developing country clients, such as ABCON members in Brazil. In so doing, ESMAP hopes to replicate it elsewhere in Brazil and in other countries.

The Water Utility Partnership for Capacity Building in Africa (WUP), which has as its sponsors the Union of African Water Suppliers (UAWS), some ITNs and Donor organisations, is dedicated to improving the management capacities of African water producers. In June 2003, a Special Meeting of some WUP constituents held in Nairobi endorsed a proposal for the WUP to undertake a study to improve energy management in water utilities in Africa, based on earlier informal discussions with Amarquaye Armar of the World Bank's ESMAP. It was subsequently agreed that ESMAP would fund a two-man study team to:

- see how an Energy M&T programme being undertaken by members of ABCON, a group of local private water and sanitation utilities, has succeeded in reducing energy-related costs in municipal water and sewerage delivery systems.
- investigate the possibility of implementing such a project in selected African utilities.
- Develop an action plan on how the project could possibly be undertaken in the utilities in Africa.

The involvement of the private companies in the operation of the private utilities visited has seen very positive results as improvements have been made in all areas of their operations. The Energy M&T programme has made modest to significant savings (depending on when the utility started the scheme) and there appears a very strong commitment to make the extra expenditures needed to achieve greater savings. In the case of SANEATINS from a level of 24% of revenue (1999), energy now takes up only 13% (2002), and most of the results achieved did not require any major investments. The pay-back period for some of the interventions have been no more than a few months. It is also noteworthy that the utility companies now carry out a cost-benefit analysis on energy-related capital expenditures.

The system of differential energy pricing in Brazil has helped a great deal as there is incentive to conserve the use of power during peak times. Whilst this may not exactly be an initiative of the power companies, the role played by regulators in making this possible needs to be stressed.

The role of utility regulators (water and energy) in ensuring the adoption of schemes such as the one is important as consumers are the ultimate beneficiaries of any savings and efficiency improvements. It is noteworthy that the Head of the water regulatory body in the State of Tocantins, who until recently was the head of the utility, has been very supportive of the scheme and was with us during most part of our visit to the State. Enforcement of efficiency requirements imposed in the concession contracts, setting the rules for energy pricing and creating greater flexibility for big users has encouraged the private water utilities to adopt cost-saving measures to improve profitability and their efficiency.

The scheme definitely needs to be replicated within some of Africa's water utilities given that energy costs form a significant proportion of their expenditures. But there are peculiar differences between Brazil (as one country, with several states) and Africa as a continent with several countries. Regulatory regimes are different from country to country, local private participation is not well developed (and where available is within very small towns), most energy and water utilities are publicly-owned and are undergoing reforms, public assumption of utility's losses does not provide adequate incentive for managers to be cost-conscious etc. However the keen interest shown by some utilities in similar projects undertaken by WUP e.g. reduction of UFW in some utilities in Africa, is an indication that there will be a lot of interest from the over 130 utilities that belong to the Union of Africa Water Suppliers. Indeed a WUP special meeting held in Nairobi in June 2003 endorsed the need to look at energy use within African utilities.

Members of ABCON, which is an association of private water and sanitation utilities have been active participants in the project and have worked closely with the World Bank. Funding support has come from ESMAP but the operators have been willing to undertake some of the expenditures to meet their energy-saving objectives.

In relation to the implementation of the project, dedicated consultants and the involvement of the Director-General of ABCON have assured success.

**Budget Summary**  
as of June 30, 2005

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<b>ESMAP Trust Funds</b>	\$83,671	\$83,671	\$0	\$0	\$79,064	\$4,607
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$83,671	\$83,671	\$0	\$0	\$79,064	\$4,607

**Project Title: CAI-LAC: Sustainable Transport Workshop**

**Region / Country: Latin America and Caribbean--Brazil**

**Origin of Funds: NA**

**Task Manager: Paul Procee**

**Summary of Current Project Status, Issues and Actions:**

For Period Jul-Dec 2005:

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$0	\$0	\$1,650	\$1,650	\$1,650	-\$1,650
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$1,650	\$1,650	\$1,650	-\$1,650

**Project Title:** Innovative Financing Mechanism for Energy Efficiency in Mexico

**Region / Country:** Latin America and Caribbean--Mexico

**Origin of Funds:** Germany

**Task Manager:** Charles M. Feinstein

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: There is a real risk that the identified energy efficiency deals will not reach closure, and that a significant portion of the undisbursed balance of the ESMAP financing will not disburse. This is a risk for both ESMAP and the contractor.

However, the contract with RMA is structured on a pure performance against deliverables basis; the deliverables are the primary and supporting documents delineating the project structure for deal closure on specific model energy efficiency financing transactions, the last target transaction developing a replicable bundling/aggregation approach. This remuneration structure protects ESMAPs financial interests. The project team has reviewed potential projects in Monterrey, Nogales, and Reynosa. The industrial projects in Nogales would require the US industrial park leaseholder to agree to an investment plan, which has not taken place. In Reynosa, an international ESCO proposed an energy efficiency project structure unacceptable to the industrial plant managers, and thus substantially reduced the client's interest in EE projects. Our involvement with CAINTRA, which initially started on very favorable terms in Monterrey, is on hold pending a more acceptable partnership structure that would be in compliance with the Bank's policies on transparency and good governance.

A NADBank loan for a set of efficiency improvements to a hospital compound in Monterrey is finally moving forward. Delays in this project were due largely to a dispute between the Mexican and U.S. ESCO's hired by NADBank to conduct the audits for the hospital. This first project will be used to condition NADB's Board to lending for EE projects in Mexico.

This combination of events has forced the team to seek new partners for project development, delayed implementation of the overall project and resulted in the need for a contract extension. At the current time the team is working with a local Mexican ESCO on a number of projects for financing through a special financial intermediary. The ESCO has already identified their clients and the projects and preliminary audits are underway.

Two saw mill facilities in Monterrey where energy efficiency upgrades are sufficient to support innovative financing arrangements and the management is committed to the projects are the current focus of efforts. Financial statements have been requested from the companies and we should have a view of their financial conditions shortly. The projects are being assessed and packaged by a leading Mexican ESCO, and a foreign equity investor has been identified.

With these two projects the team is now comfortable moving forward on preparation of on some of the legal documents. A local counsel has been selected and engaged. The first issue will be the structure of the Special Purpose Entity (SPE). An SPE can be a limited liability company, a partnership, or a trust depending on local legal conditions and tax issues. After we agree on the structure, the SPE enabling documents will be drafted and the local counsel will vet them for compliance with Mexican law. This should be completed at the end of the calendar year.

As the projects move forward, the team will begin drafting the transaction documents for the specific projects and the inter-creditor agreement between OPIC and NADBank (assuming the projects and structure meet their investment guidelines and conditions).

The overall project status and timetable for project completion is given below:

TASK 0 - Review background documents

Completed

TASK 1 - Identify initial projects and sources of funding

Completed

TASK 2 - Develop financial structure for pilot projects

The first energy efficiency project (EEP) will involve a direct loan from NADB to FLACES for a hospital project in Monterrey. It will be financed on a 50% debt/50% equity basis. Application for a NADB loan has been filed with NADB.

Contacts necessary to finance transaction include the following:

- Customer Planning Agreement
- Customer Energy Services Agreement ("ESA")
- Customer IGA Report
- Consulting Engineering Agreement
- Construction Subcontractor Agreement
- Equipment Bid Specification Documents
- Equipment/Vendor Warranty & Maintenance Contracts
- Confidentiality Agreements
- NADB loan agreement with Flaces

Estimated timeframe for financing hospital project is February 2006.

The second pilot project with DIRAM has been identified. Next steps involved signing an MOU between DIRAM and EPS, full investment grade energy audit, and drafting transaction documents. The transaction documents include the following (some of which will have been developed as part of the Hospital project):

By Customer:

- Host Recognition and Assignment Agreement
- Insurance Certificate

By Diram:

- Construction and Completion Contract
- Public Filings and documents as needed to secure interest in project under commercial code
- Operations Contract
- Corporate Certificates of Authority and By-Laws
- Collateral Assignment of ESA and other project documents
- Savings Guaranty Agreement
- Security Agreements

This project will be financed through a NADB-OPIC inter-creditor agreement to an SPC established in Mexico. The inter-creditor agreement will address the following and will be available for future projects:

- Credit information and "Lending Criteria" of Customers executing ESAs with ESCOs;
- Credit review and analysis procedures for SPC loan committee credit and loan approval;
- Standard loan documents, including security agreements that contain pertinent terms and legal filing documentation;



Criteria for EEPs to qualify for financing including but not limited to:

- Minimum project economics such as payback criteria, coverage ratios, etc.
- Capabilities of companies implementing and monitoring the EEPs
- Acceptable technologies
- Acceptable technical and financial risk profile
- Construction payment terms
- M & V protocol required

Procedures to evaluate the financial and technical aspects of the EEPs to include:

- Estimated Savings and Constructions Costs
- Savings Calculation and Baseline Methodology
- Measurement and Verifications Protocol
- Technology Risks
- Constructions Progress Review
- Completion and Commissioning Requirements

Estimated timeframe for inter-creditor agreement with the SPE is July 2006.

TASK 3- Evaluate credit enhancement options

Evaluation process has begun and will be completed as part of the financing of first pilot project.

TASK 4- Draft Charter and By-Laws of SPE

This will begin shortly as soon as the DIRAM/EPS MOU is executed. (Completed November 2005).

TASK 5- Develop standard evaluation criteria

This will be done in concert with the first DIRAM project and completed with the financing of that project through an inter-creditor agreement between NADB and OPIC.

TASK 6- Draft operating manual

This will be completed after the financing of first DIRAM/EPS project based on lessons learned from that process.

TASK 7- Develop draft agreements

This will be done as part of the Hospital project and completed with the DIRAM/EPS project.

TASK 8- Dissemination of Program Information

July 2006

**Budget Summary**  
as of June 30, 2005

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<b>ESMAP Trust Funds</b>	\$250,000	\$250,000	\$157,500	\$0	\$87,451	\$162,549
<b>World Bank (BB)</b>	\$25,000	\$1,037	\$0	\$0	\$1,037	\$0
<b>Non-ESMAP Trust Funds</b>	\$100,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$375,000	\$251,037	\$157,500	\$0	\$88,488	\$162,549

**Project Title: Global Efficiency in Sidi Bernoussi Industrial & Peri-Urban Area**

**Region / Country: Middle East and North Africa--Morocco**

**Origin of Funds: France**

**Task Manager: Nouredine Bouzaher**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Impact: The pilot project was followed by A GEF/FEM financed Project: Project de Mise a Niveay Energie Environnement de la Zone Industrielle Sidi Bernoussi Zenata-Casablanca, which focusses on Energy Efficiency in various industries.

The approach taken in this project has been broadly disseminated in countries of the Mediterranean Basin, Senegal and Cameroon. The report will be issued by end March 2006 as a Technical Report with the Proceedings of the Dissemination Workshop.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$340,000	\$340,000	\$0	\$0	\$323,549	\$16,451
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$340,000	\$340,000	\$0	\$0	\$323,549	\$16,451

**Project Title:** Regional Workshop At Sidi Bernoussi, Morocco  
 Dissemination of the results of the ESMAP Sidi Bernoussi industrial park study  
**Region / Country:** Middle East and North Africa--Morocco  
**Origin of Funds:** Netherlands; France  
**Task Manager:** Nouredine Bouzaher

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Draft Proceedings are being reviewed for publication. Results of the dissemination workshop have been used to initiate discussions on energy efficiency programs in Morocco and Tunisia.

**Budget Summary**  
 as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
ESMAP Trust Funds	\$95,710	\$70,710	\$0	\$0	\$55,613	\$15,097
World Bank (BB)	\$0	\$581	\$0	\$0	\$581	\$0
Non-ESMAP Trust Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$95,710	\$71,291	\$0	\$0	\$56,194	\$15,097

**Project Title: EG-DEMAND MANAGEMENT WORKSHOP**

**Region / Country: Middle East and North Africa--Egypt**

**Origin of Funds: NA**

**Task Manager: Eric Groom**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$70,000	\$0	\$0	\$31,788	\$41,027	-\$41,027
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$70,000	\$0	\$0	\$31,788	\$41,027	-\$41,027

**Project Title: IR-ENERGY SECTOR**

**Region / Country: Middle East and North Africa--Iran**

**Origin of Funds: Germany**

**Task Manager: Anna Bjerde**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,933	\$1,933	\$0	\$1,933	\$1,933	\$0
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,933	\$1,933	\$0	\$1,933	\$1,933	\$0

**Project Title: Mainstreaming Low-Cost Innovations in Electricity Distribution Networks in Africa**

**Region / Country: Africa Region**

**Origin of Funds: Core**

**Task Manager: Arun P. Sanghvi**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: AFTEG elaborated an initial Report exploring world best practices for low cost techniques. The Report singled out several innovative concepts, (i) Single Wire Earth return (SWER); (ii) Shield Wire Schemes (SWS); (iii) Single Phase with Conductor Neutral and (iv) "Appropriate Engineering" and Network forecasting and optimization.

Following the collection of country specific information, workshops were held in Zambia and Tanzania in December, 2004 and in Mozambique and Uganda in January, 2005. "Low-cost solutions" were presented by utility practitioners from Ghana, Tunisia, Australia/New Zealand and South Africa. The workshops also discussed implementation strategies and projects for subsequent implementation. Various facilitative works has subsequently been carried out in support of the emerging implementation initiatives.

**OUTCOME AND IMPACT**

The major outcome of the project so far is that key stakeholders in each country are starting to implement low cost technologies in electrical networks immediately applicable in their contexts.

The original proposal listed the major risks with the project as being (i) power utilities are not motivated to cut costs – and hence not interested in low-cost innovations and (ii) that project developers would feel that innovative measures are too risky. The project has been very successful in Mozambique and Tanzania with interest in low cost innovations from the power utilities. In both countries revised technical standards for low cost techniques are being prepared and projects with this technique are planned. The absence of an established main grid operator in Uganda has hindered progress there. However, project developers in Uganda and also Tanzania have included various low cost techniques in project preparations.

Mozambique. Following on from the Low Cost Work shop in January 2005 an EDM technical team visited Ghana during April/May 2005 to learn detailed aspects of Shield Wire Schemes. Upon receiving the Report from the technical team, the Mozambican Minister of Energy gave EDM one week to prepare an action plan for immediate implementation of the recommended low cost technology in Mozambique and inclusion of specifications for the same in the new EDM standards under preparation. Initially identified for SWS implementation are villages and customers along EDMs 220kV line between Matambo to Caia in the North and along the EDMs 66kV line between Boane to Salamanga in the South of Mozambique. The 220kV line scheme will use the two shield wires to produce three phase low voltage supply. The 66kV line scheme will use a combination of one wire Shield Wire Scheme branching out as Single Wire Earth Return systems. A third element in EDM's low cost implementation will be the use of 2 phase medium voltage distribution feeding single phase transformers, which means savings on transformer sizes, conductors, insulators, etc. This technique is expected to be utilized a.o. for a DANIDA financed 66kV line in Inhambane, where in addition the consultant is required to produce new guidelines on low-cost design criteria and standards.

Tanzania. TANESCO has prepared revised standards which are being technically evaluated before being introduced as new standards. These include cheaper service connections (including Ready Boards) and low voltage reticulation, cheaper medium voltage lines using single phase lines and SWER technology and smaller transformers.

An ADB Study has suggested SWER between Mbinga and Mbamba Bay. The Sida feasibility study for a 132kV line between Makambako and Songea, includes electrification east and west of Songea, e.g. Mbinga and Shield Wire distribution. Single phase will be utilized in the Sida financed rural electrification of the Serengeti and Urambo Districts. The various rural electrification sub-projects being prepared for the planned WB "Energizing Rural Transformation" has various low cost techniques included.

Uganda. Under the World Bank financed ERT project, a feasibility study has been prepared for the implementation of a Pilot Single Wire Earth Return (SWER) project in Uganda, the Ntendjeru SWER Supply and Distribution network. Four rural electrification projects to be financed by Sida will include low cost technologies.

Zambia. ZESCO is carrying out a project with prepaid meters. The bidders in the planned WB Increased Access to Energy and ICT Services project will be asked to use low cost designs for the Priority Rural Electrification Projects (PREP)

#### DISBURSEMENT PROJECTIONS

Disbursements up to the end of FY 2005 are expected to be US\$ 156,294.55. The remaining US\$ 23,705.45 is expected to be disbursed during the first half of the FY 2006. The total disbursement will be US\$ 180,000.

#### EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT

Initially in the project it was anticipated that mainstreaming of innovation would be a long-term process, and that focus should be on a few innovative concepts, with concrete steps taken to facilitate their implementation in a few selected projects.

However, the responses from each country to the workshops were generally more positive than expected. Key stakeholders in each country claimed they intended to implement certain aspects of the proposals. This was considered quite a big step forward compared with what was originally envisaged. The Team has therefore concentrated the implementation efforts on monitoring the progress being made by the various stakeholders in each country and supporting their implementation. The team is interacting with the key stakeholders in each country on the progress being made, what changes are being implemented, the expected cost savings and what projects will be implemented and when. This is further along the road than "designing a few projects" as originally envisaged. It will also stretch further in time than originally envisaged. Project Completion is scheduled for December 31, 2006.

#### PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES

Elaborated reports and power point presentations were distributed on CDs to all participants during the national workshops held in 2004 and 2005.

The results of the project will be disseminated within the Africa Energy unit in connection with team meetings. A low cost electrical distribution side event is planned for the 2006 World Bank Energy Week, during which a panel of African Utility low cost.



**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$180,000	\$180,000	\$10,693	\$0	\$139,729	\$40,271
<b>World Bank (BB)</b>	\$0	\$3,854	\$0	\$0	\$3,854	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$180,000	\$183,854	\$10,693	\$0	\$143,583	\$40,271

**Project Title:** Lagos Strategy for Economic Development and Poverty

**Region / Country:** Africa--Nigeria

**Origin of Funds:** Core; France; Sweden

**Task Manager:** Deepali Tewari

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**Summary of Current Project Status, Issues and Actions:**

For period July-December 2005: IDA's engagement with Lagos State Government (LASG), through multisectoral analytic work and policy dialogue under the "Lagos Strategy for Economic Development and Poverty Reduction", has aimed to establish a cohesive and integrated framework for comprehensive, prioritized and sequenced reforms. Within this framework of engagement, two interlinked studies are being undertaken; (i) a study of approximately 4000 firms; and (ii) a study of 6000 households. Both the survey tools, taken together, establish a baseline of data for economic and poverty analysis, and monitoring the impact of sectoral interventions on poverty reduction (as measured by access to basic service and employment creation). They have been designed to provide spatially disaggregated information on the demand side of all sectors of service delivery, at both the firm and household level, so that sectoral interventions can be targeted spatially at the household level geographically, or by economic cluster.

Firm Studies: The data collection on the 4000 firms is complete (supported by PHRD Grant for project preparation) and preliminary analysis in-house was completed as well. The five firm surveys A broad cross sectoral group contributed to the conceptual design of this study: Gaiv M. Tata (AFTPS), Dirk Reineremann (AFCNG), Hinh Dinh (AFTP3), Fitz Ford (TUDUR), C. Fallert Kessides (TUDUR), Simeon Djankov (PSAIC), Xavier Forneris (PSAFI), Gokhan Akinci (PSAFI), Somik Lall (DECRG), Gwen Swinburn (TUDUR), Michaela Weber (AFTPS), Deepali Tewari (AFTU1), Deiter Schelling (AFTTR), Satoshi Ishihara (TUDUR), David Sisen (LACSFU), Taimur Samad (TUDUR), Robert Buckley (TUDUR), Mike Stevens (AFTPR) and Axel R. Peuker (PSAIC). are: (i) Large firm manufacturing, (ii) Large firm services, (iii) Small, medium, and micro enterprises, (iv) Informal enterprises, and (v) Port and Port ancillary sectors  
London Business School has been awarded a contract to analyze the data and explain the determinants of non-oil growth in Lagos. This report will be available for comments in March 2006, and finalized in April 2006.

(ii) Household Study: The household survey, covering 6,000 households (also financed from PHRD Grant for project preparation), was also completed in August 2005. To ensure rapid utilization of the data for planning and reporting purposes at the client end, and also to inform the location of investments under the Lagos Metropolitan Development and Governance Project, summaries of modules on different infrastructure have been prepared and widely disseminated in November–December 2005, both by AFTU2, as well as by the Office of Statistics in Lagos Ministry of Economic Planning and Budget. Under the LMDGP, slated for Board Approval in March 2006, IDA will support strengthening the capacity of the Office of Statistics to use the information provided by the data, to develop a monitoring and evaluation system for Lagos Ministries. Maps of this data will also be prepared during implementation.

**2. What is the OUTCOME AND IMPACT of the project to date?**

Both the studies are being undertaken by the Office of Statistics in the Ministry of Economic Planning and Budget in Lagos state. The impacts of the process of design and execution of the studies at the time of preparing the last ESMAP report were:

- (i) Enhanced capacity of the Office of Statistic with respect to procurement, statistical training, and survey work; The Office of Statistics has participated in the survey design, pilot surveys, training by IDA staff, field survey, and analysis.
- (ii) The creation of a team of statisticians and economists from academic institutions, universities, and different levels of Government, marking the first time that such professional collaboration has taken place for a Government led-activity;
- (iii) Commitment from Lagos State Government to repeat these surveys thrice during the implementation period of LMDGP (funds for this are now budgeted in the project).

Recent impacts Household Survey:

- (i) Enhanced communication and cooperation between two Ministries. Utilization of data for planning with results in mind has already begun. For example, the Ministry of Environment changed the location of investments to be supported by LMDGP, as a result of the spatially available data from the survey.
  - (ii) The data is already therefore influencing strategic planning in some infrastructure sectors to achieve measurable results.
  - (iii) The Office of Statistics has gained in stature and respect, and with support for M&E provided to them under LMDGP, the use of data for planning and monitoring should get institutionalized.
  - (iv) Lagos State Water Corporation has been able to assess improvements in their services, and the Health and Education sector feedback is also encouraging for the Government with surprisingly high percentage of positive feedback. LMDGP will support public dissemination of baseline statistics as the first report card on service delivery in Lagos, as part of communications to be supported by LMDGP.
  - (v) Many negative myths about Lagos have been de-bunked as a result of this data – in fact the findings confirm very much the rationale for Lagos being awarded 3 awards by the World Leadership Awards in London last month for Leadership and results in Health, Education and IT – putting Lagos in the same league as Madrid, Salt lake, Milwaukee!!!
- Recent impacts Firm Survey:
- (vi) Energy colleagues in the Africa region are using the data to select firm clusters to deliver decentralized power to, by way of piloting a new initiative under the Energy Project for Nigeria.

3. DISBURSEMENT PROJECTIONS. We expect to disburse the remainder of the funds, about US\$25,000 by end June 2006.

4. PROVIDE UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT. Draft report on energy and poverty linkages will be available by April 2006 prepared by EWDES, and we expect no cause for delays, since the data set has already been delivered to EWDES and about US\$25,000 were set aside for analysis and publication of a report – we expect these funds to be adequate.

5. HIRING CONSULTANTS. Consultant will be identified in January 2006 by EWDES and contract processed by AFTU2.

6. PUBLICATIONS: Report will be available for publication by April 2006, and final processing for publication can then begin, coordinated with EWDES (Douglas Barnes).

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$100,000	\$141,640	\$0	\$4,360	\$74,113	\$67,527
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$100,000	\$141,640	\$0	\$4,360	\$74,113	\$67,527

**Project Title: Development of East Asia & Pacific Energy Business Strategy**

**Region / Country: East Asia and Pacific Region**

**Origin of Funds: Core**

**Task Manager: Junhui Wu**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: We have completed the study. The review meeting, held in April 11, 2005, was attended by our VP, Jamal Saghir, Christian Delvoie, and a number of senior staff members of energy family. The report was regarded as the best practice of business strategy. Our business has expanded substantially during the preparation stage and subsequent follow-up after the completion. We timely re-positioned ourselves to assist our clients in meeting the energy challenge in a rapidly growing region. Our lending/GEF/PCF increased by some 8 times in FY05 and we have a solid business pipeline in the next three years, mainly in the areas of energy efficiency, renewable energy, and rural energy access.

The WBG made a commitment in June 2004 at the Bonn International Conference on Renewable Energies that the WBG will scale up renewable energy (RE) and energy efficiency (EE) portfolio by an annual average of 20% over five years (FY05-09). The WBG outperformed its Bonn commitment in FY05. The WBG's financial support for RE and EE totaled US\$748 million in FY05, comparing to US\$339 million in FY04. EAP, according to the recent Energy Board report, made the largest contribution (US\$314 million) to the WBG's total achievement. EAP's commitment includes mainly US\$127 million for the China Renewable energy Scale-up Program (CRESP), as well as two guarantees for the NT2. RE and EE commitment in EAP increased more than six-fold in comparison with FY04.

We are in the process to publish the final report. A copy is attached. I would appreciate you do not release externally at this stage.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$35,000	\$35,000	\$350	\$1,400	\$28,165	\$6,835
<b>World Bank (BB)</b>	\$0	\$9,571	\$0	\$0	\$9,571	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$35,000	\$44,571	\$350	\$1,400	\$37,736	\$6,835

**Project Title:** Power and Poverty: Lessons from Energy Sector PSIA's in ECA

**Region / Country:** Europe and Central Asia Region

**Origin of Funds:** Netherlands

**Task Manager:** Julian A. Lampietti

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Since July the project has moved from conception to near completion. Preparatory work began in July to come up with a detailed outline of the book, and subsequently for each chapter. The outlines were prepared in close consultation with Bank staff who were involved in authoring the reports on which the book is based, and several meetings were held to discuss the focus and direction of the book's arguments and conclusions. In addition the authors held informal interviews with some stakeholders within the Bank, for example country directors and energy specialists, to obtain their comments and feedback on the original reports, and how they perceive the impact of the reports on the ongoing debate.

Drafting began in September, and has involved adapting the original studies and writing new material. By November the project team was ready to present the draft to a wider audience consisting of authors of the original reports (about 20 people) for their comments. Their input was incorporated into the draft, which will be presented for peer review the week of December 19.

**OUTCOME AND IMPACT**

Though the greatest impact is expected when the book is published, the process of drafting and consulting with stakeholders has already had some impact. It has reintroduced the studies that are the subject of the book as part of the ongoing debate on power sector reform in ECA. It is clear that many of the issues covered in the book are still the subject of energetic debate, and the book has a lot to contribute. Interest in the project has been extremely encouraging, and anticipation of the final product seems to be high. In order to maximize the eventual impact of the book the team has taken care to ensure that the book touches on issues that are the subject of ongoing debate. This makes it more likely that the book will become a part of this debate, and will be read by the widest audience possible.

**DISBURSEMENT PROJECTIONS**

Jan-Jun 2006:

Consultant fees: \$1,000

TM fees: \$5,000

Publishing and Editing: \$27,000

**EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT**

The draft is being presented for peer review the week of December 19. The decision meeting is scheduled to take place the week of January 9. Revisions to the draft will be completed by February 1, when the book will be sent to the publisher for editing and publication.

**HIRING OF CONSULTANTS**

In July a short term consultant, Amelia Branczik, was hired to assist in implementation—specifically to provide support in adapting the existing studies and writing new material.

**PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES**

Upon publication dissemination activities will be carried out, for example seminars or brown bag lunches. The team has been advised that publication will take several months; when we have a better idea of when publication is complete we will develop more concrete plans for dissemination. Dissemination will include presentations at a seminar or BBL, in addition to leveraging any opportunities to tie in the sector-wide events, for example Energy Week 2006. We will also investigate potential opportunities to publish articles based on the book in relevant journals.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$48,053	\$48,053	\$690	\$11,927	\$17,434	\$30,619
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$48,053	\$48,053	\$690	\$11,927	\$17,434	\$30,619

**Project Title: Provision of Energy Services to the Poor in Tajikistan**

**Region / Country: Europe and Central Asia--Tajikistan**

**Origin of Funds: Netherlands**

**Task Manager: Raghuveer Y. Sharma**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: All the Analytics and reports have been completed. Workshops, in each of the two countries, Tajikistan and Uzbekistan, were scheduled for end Nov 21 and 23, 2005 but had to be cancelled due to illness of the Team leader of the consulting team in UK. These workshops are being rescheduled to mid February 2006, after which the expected outcome, adoption of a revised social protection policy for energy reforms, would be realized.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$350,000	\$350,000	\$157,176	\$87,500	\$192,824	\$157,176
<b>World Bank (BB)</b>	\$40,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$390,000	\$350,000	\$157,176	\$87,500	\$192,824	\$157,176

**Project Title: Impact of Energy: MultiSector Surveys**

**Region / Country: Global**

**Origin of Funds: Netherlands**

**Task Manager: Kyran O'Sullivan**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$225,000	\$100,000	\$68,635	\$4,576	\$4,576	\$95,424
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$225,000	\$100,000	\$68,635	\$4,576	\$4,576	\$95,424



**Project Title:** Issues in Energy Security

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** Dominique M. Lallement

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Four major outputs have been delivered since the beginning of 2005:

1. A report on The Impact of Higher Oil Prices on Low Income countries and on the Poor. March 2005- ESMAP report 299/05, and Knowledge Exchange Note No. 1 of August 2005. The report discussed five major issues

- What are the routes by which countries are impacted?
  - Which countries are most vulnerable to oil shocks??
  - What determines the degree of Vulnerability to such shocks?
  - How much are the poor in various countries impacted by the effects of higher oil prices?
  - What policies can reduce the vulnerability of countries to oil shocks, both immediately and in the medium to long run?
- Three levels of analysis were used to discuss these issues: the macroeconomic level, looking at the direct balance of payments and the necessary GDP adjustments to restore equilibrium; the mesoeconomic level, looking at the factors which determine a country's propensity to be a net oil importer, and the microeconomic level, which looks at the direct and indirect impacts on households of an increase in oil prices.

2. A Concept Note for the ESMAP Workprogram on the Hydrocarbon component of the Energy Security Thematic Area of the 2005-2007 Business Plan. The Concept Note was finalized in October 21, 2005. It proposed an analytical framework that would examine four main topics:

- The impact on countries of oil shocks
- The demand for oil and policies related to demand reduction
- Responses of Oil Producing Countries
- The Magnitude and Impacts of Oil Price volatility.

3. An analytical Report on The Vulnerability of African countries to Oil Price Shocks: Major Factors and Policy Options, published in August 2005. ESMAP Report 308/05. In this report, it is shown that net oil importing countries of Sub-Saharan Africa are highly vulnerable to oil shocks, have the highest ratio of external debt to GDP, and the lowest per capita income. The recent oil price rises have causes on SSA net oil importing countries cumulative loss of GDP of around 3.5 percent over the last two years. Africa is distinct from other regions in its almost complete reliance on imported oil (apart from net oil exporters) and its very high oil fuel dependence for its primary energy needs besides biomass. The general conclusion of the report is that there is a serious problem of adjusting to the present and potential future oil shocks in Africa. There would be no one or two major policies which could substantially reduce vulnerability to price increases across the board; several policy alternatives are available and should be considered -- from large and small hydropower schemes, fuel diversification, including gas and coal, pricing policies to determine efficient energy intensity levels, increased energy efficiency from any fuel use. The report also notes that short-term policy measures to protect the most vulnerable groups are also needed, and that even a reduction in future oil prices ins not guaranteed to reduce oil vulnerability since the likely increase in oil intensity with economic growth may well offset this.

4. A study on Policies to cope with Oil Price increases in Developing Countries has been initiated. It aims to review the policies which have been adopted principally by developing countries to cope with oil price increases, and assess whether governments should be doing anything to transmit the full impact of international oil prices increases to the domestic market, and to the extent that the domestic prices are raised, whether there are other non-pricing measures that the government can take to lessen the impact. For short-term adjustments, the policy options that will be investigated focus on subsidies, fuel price control, pricing other policies where fuels account for a sizable fraction of total costs, possible immediate fuel consumption reductions, and measures to address public reaction to rising fuel

prices. For the medium-term, policy options for oil intensive sectors and activities will focus on fuel savings through use of more fuel-efficient technology or consumption patterns, fuel switching, including alternative fuels, minimizing price increases through more efficient fuel procurement and greater effective competition in downstream sector, the use of stocks, and price hedging.

A presentation on the findings of the review of short-term policies was made at an ESMAP Knowledge Exchange Event on December 19, 2005. The draft interim report is to be completed end January, and the full report with the medium to long-term policy issues is to be completed by the end of May 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$35,593	\$53,523	\$139,776	\$10,224
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$150,000	\$150,000	\$35,593	\$53,523	\$139,776	\$10,224

**Project Title:** LCR - Low Income Energy Assistance

**Region / Country:** Latin America and Caribbean Region

**Origin of Funds:** Netherlands

**Task Manager:** Quentin T. Wodon

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: This project was started with a focus on Latin America, with a number of case studies on energy assistance and poverty. Some of the work was finalized, integrated in Bank analytical work and published. This is the case for an assessment of energy needs and welfare in Guatemala, and an analysis of tariff structure and subsidies in Honduras. The ESMAP grant was also used for a report on infrastructure reform and poverty in Latin America, published both in English and in Spanish (ESMAP was one of the contributors to the study). Finally, as was stated in the grant reporting, some work was conducted on Africa, again with a focus on utility tariff reforms and the poor, as well as an assessment of the impact of oil price shocks on the poor. The Africa work is almost completed. Given that this is a project that was started some time back, we are now wrapping up the various contributions and could forward everything in an integrated fashion at the beginning of 2006 to the ESMAP team, see how to disseminate best some of findings, and close the project.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$0	\$0	\$127,072	\$22,928
<b>World Bank (BB)</b>	\$20,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$170,000	\$150,000	\$0	\$0	\$127,072	\$22,928

**Project Title:** LCR Subsidy Review Study

**Region / Country:** Latin America and Caribbean Region

**Origin of Funds:** Core

**Task Manager:** Dana Rysankova

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: All initial outputs as well as the new outputs added since project start have been met in 2005. Publication of the final report is pending due to a delay in closure of the two key transactions described in two of the three project cases analyzed in this report (Bolivia and Nicaragua). Thus, the report will be published in the first half of 2006. No new consultancies are needed. Main results see database update 1-05. A contribution to the GPOBA session during Energy Week 2006 has been requested.

Results have been presented in separate presentations at the following occasions:

- World Bank PSD Forum
- Buenos Aires REL Regulatory Issues Clinic
- 20th European PV-SEC
- Several World Bank Brown Bags
- More than five local and international workshops on SHGS subsidies in Bolivia
- Nicaragua Project Workshop
- Berlin University PPI conference 2004
- PERMER seminar 2005.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$9,350	\$0	\$23,446	\$26,554
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$50,000	\$9,350	\$0	\$23,446	\$26,554

**Project Title:** Alleviating Urban Energy Poverty in Latin America: The Brazilian Case

**Region / Country:** Latin America and Caribbean--Brazil

**Origin of Funds:** Netherlands; Core

**Task Manager:** Dominique M. Lallement

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The consultant has submitted his final report. It is being processed for final publication as a Technical Report. The Study was finalized in the last quarter of 2005 and is being processed for publication as an ESMAP Technical Report.

The study was prompted by the interest of the Latin America Members of the World Energy Council to focus their research work on the issue of the energy poor in the peri-urban areas. Other case studies were undertaken in Buenos Aires and Caracas. The results will be compared in a synthesis report to be published by the World Energy Council.

The findings of the study underline the importance of improving our understanding of the socio-economic conditions of the shantytowns prior to designing investment projects. Although the context is very specific, the findings highlight problems often found among the urban poor. The trauma of social exclusion, the direly limited incomes, the pressures of conflicting demands to apply this limited income, the difficulties in emerging from social exclusion once involved in unofficial systems - these are realities common to most communities in shantytowns around the world. The study can therefore be of great use to private sector companies whose client base includes significant shantytowns, to governments, regulators, donors, and other stakeholders. The study forces a systematic questioning on what the poor's priority energy needs are, how they cope, and what could be done by policy makers.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$58,000	\$58,000	\$0	\$28,647	\$69,573	-\$11,573
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$58,000	\$58,000	\$0	\$28,647	\$69,573	-\$11,573

**Project Title:** Haiti: Scoping Study for Household Energy Strategy

**Region / Country:** Latin America and Caribbean--Haiti

**Origin of Funds:** Netherlands; France

**Task Manager:** Clemencia Torres

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Findings from the 5 specific surveys were incorporated into final draft report, which was discussed as planned during closing workshop in Port-au-Prince on July 14, 2005. Comments from the Comité de Pilotage were included, to the extent possible after workshop. Preliminary Action is main output from this activity. The report was then edited in French and translated into English. It is currently being reviewed by ESMAP to be published as a Technical Paper.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
ESMAP Trust Funds	\$61,000	\$61,000	\$0	\$1,425	\$59,906	\$1,094
World Bank (BB)	\$0	\$0	\$0	\$0	\$0	\$0
Non-ESMAP Trust Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$61,000</b>	<b>\$61,000</b>	<b>\$0</b>	<b>\$1,425</b>	<b>\$59,906</b>	<b>\$1,094</b>

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**Project Title: Energy Sector Strategy for Poverty Reduction and Growth**

**Region / Country: Middle East and North Africa--Djibouti**

**Origin of Funds: Netherlands**

**Task Manager: Michael Hamaide**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The study served as the basis for a Power and Diversification project financed by the Bank, and approved in 2004. The energy access and growth strategy was undertaken by a team from SNC Lavalin with input provided from the Statistics Office of Djibouti on an energy household budget. The report was finalized in January 2005 and has since been greatly debated in Djibouti and is contributing to the future energy policy of Djibouti.

The debate is focusing on the following key issues analyzed in the study:

- How can Djibouti meet energy demand in a least cost manner?

The analysis in the report shows that the least cost options for Djibouti would be to rehabilitate existing power plant equipment, reduce network losses and import electricity from Ethiopia. Development of renewable resources is appealing to divert from heavy reliance of fossil fuels, but costly given the small scale of the system and the distance between the load and the favorable sites for renewables.

- How can access be better provided to the poor?

The household energy survey shows that the poor have little access to power with the main barrier being the high cost of connections and the high average tariff. Energy needs are primarily met by use of kerosene. The study recommends government intervention through a life line tariff and connection charge payment in installments. Furthermore, it was recommended that investment in street lighting could have a very positive effect on the livelihood of the poor, especially from a gender perspective.

How can the sector perform better institutionally?

The report identified a number of improvement measures to be considered, including loss reduction action plan, tariff reform and rationalization of the labor force. Given the size of the system, the report does not recommend unbundling. The utility is also relatively well managed and thus management support was not recommended. However, privatization of the utility, possibly combined with the water utility, could be considered.

Disbursements reached 100% in April, 2005 when the final payment was made. The study is being published as a technical paper under ESMAP.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$198,674	\$198,674	\$0	\$0	\$176,673	\$22,001
<b>World Bank (BB)</b>	\$125,000	-\$5,312	\$0	\$0	-\$5,312	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$323,674	\$193,362	\$0	\$0	\$171,360	\$22,001



**Project Title:** Energy Poverty and Access

**Region / Country:** Middle East and North Africa--Yemen

**Origin of Funds:** Core

**Task Manager:** Kyran O'Sullivan

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The report is in the publication process.

The report has been widely drawn on in current Bank work on the impact of oil price increases in developing countries. The report is one of the few analyses of oil price subsidies that contains extensive distributional analysis of the impacts i.e. the welfare impacts by income group.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$427,692	\$427,692	\$5,628	\$2,711	\$413,009	\$14,683
<b>World Bank (BB)</b>	\$50,000	\$38,146	\$0	\$0	\$38,146	\$0
<b>Non-ESMAP Trust Funds</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$502,692	\$465,837	\$5,628	\$2,711	\$451,155	\$14,683

**Project Title:** China: Policy Advice on Implementation of Clean Coal Technology projects. Phase II

**Region / Country:** East Asia and Pacific--China

**Origin of Funds:** Netherlands

**Task Manager:** Masaki Takahashi

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$49,936	\$49,936	\$0	\$0	\$49,936	\$0
<b>World Bank (BB)</b>	\$0	-\$197,402	\$0	\$0	-\$197,402	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$49,936	-\$147,466	\$0	\$0	-\$147,466	\$0

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The report is edited as ESMAP Technical Series and in formatting. The Chinese government incorporated the policy advice into the plan for the policy of implementing clean coal projects. The government asked the Bank/GEF to support Yantai IGCC project to demonstrate the advanced clean coal technologies and to pilot carbon capture and storage. The rehabilitation of coal-fired power and investments of Flue Gas Desulfurization for SO<sub>2</sub> control, are in progress as well as the measures taken for efficient and clean use of coal in non-power industries such as coal washing, coal briquette and coal water mixture. In Shandong Province, both IGCC and FGD projects are under preparation as the Bank project. In the Hunan province, a clean coal component for the non-power applications is an important part of the Bank's urban development project to clean up the air pollutions.

**Project Title: Good Practice Case Study in Integrating Environment into Gas and Oil Pipeline Projects: Experiences Based on the Bolivia-Brazil Gas Pipeline**

**Region / Country: Latin America and Caribbean--Bolivia;Brazil**

**Origin of Funds: Netherlands**

**Task Manager: Juan D. Quintero**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Two products were obtained from this activity. A case study on Integrating Environmental Safeguards into Oil and Gas Pipeline Projects:

A Best Practices Case Study of the Bolivia-Brazil Pipeline Project. This paper analyzes the Bolivia-Brazil Pipeline Project (GASBOL) as a good best practice case study for its mainstreaming of environmental and social relevant aspects safeguards - such as social sustainable development, biodiversity and natural habitats conservation - in Gas Pipeline Projects. Significant consideration is given to the operational and analytical procedures that were adopted to coordinate field operations, information management, and communication between amongst the Project's main Project's primary stakeholders.

The Project faced significant environmental, social and institutional complexities stemming in part from its bi-national scope, its size and scale, and that fact that it had to deal with two legislative frameworks, inequalities in infrastructure, complex institutional agreements, Indigenous communities and sensitive ecological areas. Despite these considerable challenges, the design, construction, implementation, and operational phases of the project were well managed and as a result GASBOL has established itself as a benchmark for large infrastructure projects.

A second product (in Spanish) "Environmental manual for the design, Construction and Operation of Gas Pipelines" provides guidance on good practices the entire project cycle of a gas pipeline based on the GASBOL experience.

In spite of being in the final stage of publication, both products have been widely disseminated. They have been used as case studies in safeguard training workshops within the Bank and was included in "Oil and Gas Pipelines: Social and Environmental Impact Assessment - state of the Art" (edited by Robert Goodland) and prepared for the International association of Impact Assessment (IAIA) Conference of 2005.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$117,000	\$115,360	\$0	\$0	\$115,360	\$0
<b>World Bank (BB)</b>	\$29,000	\$5,397	\$0	\$0	\$5,397	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$146,000	\$120,756	\$0	\$0	\$120,756	\$0

**Project Title:** Women in Mining – Chance for Better Life Workshop

**Region / Country:** Europe and Central Asia--Poland

**Origin of Funds:** Core

**Task Manager:** John E. Strongman

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The final report on the activities carried out under the above mentioned program, including the summary of all workshops conducted during the period of the program have now been submitted for final review by ESMAP. This report was prepared by the Polish counterparts and was submitted at the beginning of June. The project completion date was June 30, 2005. Also attached is an article related to the program, which was published in one of the biggest Polish weeklies, Newsweek Polska.

In brief, the project was carried out during the period of October 2004 - June 2005. It consisted of: two conferences (at the beginning and at the end of the project) and 32 workshops. The strategic objective of the project was to develop a program that would allow women to overcome the problems related to the restructuring of the hard coal sector in Poland and strategies to empower women to find new employment opportunities and to have a stronger voice in community-related decision-making processes.

The workshops were designed to support the development of 24 women leaders by providing them with the knowledge and the skills required for working in local communities (mining and post-mining communities). They were focused on employment advisory, entrepreneurship, public speaking, self presentation and interpersonal communication. The outcomes of the program included development of a comprehensive system of assistance, specifically for women, threatened with social and professional exclusion resulting from, directly or indirectly, the hard coal mining restructuring process. About 9 social assistance programs were prepared by the participants during the training program, some of which already received funds to be implemented. Details are provided in the report prepared by Polish counterparts.

Another important result of the project is related to the development of a project website, which help both to promote the project but also to facilitate communication and feedback and the preparation of a Citizen self support Manual, a guideline for persons willing to undertake social work in the sector.

The results of this program were presented at the second Women and Mining Conference, which was held in Madang, Papua New Guinea, during June 19-22, 2005.

The program had been implemented successfully and it creates a show-case example which could be followed in the region in countries that are implementing restructuring programs in the mining sector and are facing similar problems.

As a follow-up of the Women in Mining (WIM) program, in September 2005 was opened the Silesian Centre of Information for Women that offers free legal, psychological and job counseling and operates in the three most affected by mining restructuring communities in Silesia- Zabrze, Dabrowa Gornicza and Katowice. In addition to counseling, the Centre cooperates with Police and offers help to victims of home violence in Silesia. 100% of funds needed for activities of the center have been already secured. Most of women who participated in the WIM program, work currently for the Silesian Centre of Information for Women. At the opening, all participants emphasized that WIM initiative in Silesia has contributed substantially to development and integration of the civic society in the region.;12/23/2005: The ESMAP Grant supported the training of 24 women leaders in the Katowice area in the Silesia region of Poland in 2004. The polish hard coal industry is concentrated in the Silesia region. Employment has decreased from about 400,000 in 1990 to 248,000 in 1998 to 125,000 in 2005. This has caused considerable stress on families in Silesia and much of this has fallen upon women. Based on the skills provided by the training, these women leaders have subsequently been able to mobilize funding from other sources to open Women's Information Centers in six towns in the Katowice area. The six Centers provide counseling and support to women and families including legal counseling, social counseling

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$45,000	\$45,000	\$0	\$0	\$41,799	\$3,201
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$45,000	\$45,000	\$0	\$0	\$41,799	\$3,201

**Project Title:** Gender and Energy Resource Center

**Region / Country:** Global

**Origin of Funds:** Netherlands

**Task Manager:** A. Waafas Ofosu-Amaah

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: We have developed Terms of Reference (TOR) for the Gender and Energy Resource Center. In addition, we have identified an appropriate consultant to develop and populate the electronic Resource Center. The STC contract will be processed during the first week of January; the STC will begin work on this project in mid-January.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$18,000	\$18,000	\$9,750	\$0	\$0	\$18,000
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$18,000	\$18,000	\$9,750	\$0	\$0	\$18,000

**Project Title: Opportunity for Women in Renewable Energy Technology Utilization in Bangladesh (Phase 2)**

**Region / Country: South Asia--Bangladesh**

**Origin of Funds: Netherlands; Core**

**Task Manager: M. Iqbal**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Outcome:

Introduced renewable energy technology (RET) in remote coastal areas for energy service.

Introduced RET for women's income generation.

Technical training to women on : i) manufacturing of RET products, ii) marketing of RET products/ services, iii) managing cooperative business and microfinance operations, iv) customer relations, v) bidding, vi) operating battery charging and micro-grids in rural markets.

Microenterprise operations consolidated and strengthened. It possesses technical, financial, managerial and marketing skills and diversified business to SHS service provision and microfinance operations.

Microenterprise qualified as the Supplier Partner Organization (PO) with the RERED project. Renewable energy service expanded tremendously in rural areas in last 3 years with the implementation of this project.

Capacity building within professional women and policy makers to promote RETS utilization, energy efficiency and gender-energy interface. A good model of transfer of technology.

Impacts:

Empowered rural distressed women to act as renewable energy service provider.

Harnessed alternative energy in remote unserved communities in coastal regions.

Established a participatory model of rural women on energy service provision using RET.

Replication of the model in other rural areas of Bangladesh to serve energy.

Removed some social and cultural discrimination of poor rural women by bringing them into mainstream energy business.

The Microenterprise has maintained high quality in RET products.

The project created a host of civil society/local development partners in greater Golachipa area, who are well-wishers and strong supporters of the initiative.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$220,000	\$220,000	\$0	\$45,508	\$199,374	\$20,626
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$220,000	\$220,000	\$0	\$45,508	\$199,374	\$20,626

**Project Title:** Facility for the follow up of Africa Energy-Poverty Workshops

**Region / Country:** Africa Region

**Origin of Funds:** Netherlands; France

**Task Manager:** Koffi Ekouevi

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. Activities and outputs

Two main activities were undertaken: The finalization of the report from the West Africa GVEP Francophone Facilitators Workshop in Senegal conducted in June 2005 and participation at the GVEP First Partners Assembly in Brazil in October 2005. The Francophone Facilitators Workshop helped to deepen the multisectoral approach to energy services delivery and the role of national energy institutions in the process. It was an opportunity to feature two good examples from Senegal and Cameroon and to encourage other countries to organize themselves accordingly. The First Partners Assembly allowed African participants to learn about other best practices on successful multisectoral energy services delivery programs, the examples from Brazil, Indonesia, and South Africa. The commitment of government and other national institutions to these programs appeared as an important pre-requisite for success. The additionally of donor funding thereafter to these programs was noticed

2. Outcome and impact

The GVEP activities in Africa have contributed to an increased awareness of the linkages between energy services and poverty reduction. It has mobilized around the same forum specialists from different fields that do not usually meet and plan for energy services. The initiative has shown that both social programs and increased productivity of productive activities can tremendously benefit from the availability of energy services. The action plans prepared in some of the countries such as Senegal and Cameroon allow governments and donors to have a clear view on required investments and their link with the PRSPs.

3. Disbursement projections

The Africa Energy Unit was prompted to make a decision on whether this activity should continue. Disbursement projections would be made following that decision.

4. Update on expected date of project completion and draft report

A completion report on this activity will be prepared for May 31, 2006.

5. Hiring of consultants

No consultant was hired during this reporting period.

6. Publications/Knowledge Dissemination Activities

Knowledge dissemination activities will be planned when a decision is made on the integration of this activity into the ESMAP/AFTEG Africa Window.

Two main activities were undertaken: The organization of the West Africa GVEP Francophone Facilitators Workshop in Senegal in June 2005 and participation at the GVEP First Partners Assembly in Brazil in October 2005. The Francophone Facilitators Workshop helped to deepen the multisectoral approach to energy services delivery and



the role of national energy institutions in the process. It was an opportunity to feature two good examples from Senegal and Cameroon and to encourage other countries to organize themselves accordingly. The First Partners Assembly allowed African participants to learn about other best practices on successful multisectoral energy services delivery programs, the examples from Brazil, Indonesia, and South Africa. The commitment of government and other national institutions to these programs appeared as an important pre-requisite for success. The additionally of donor funding thereafter to these programs was noticed.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$98,000	\$98,000	\$675	\$13,239	\$85,682	\$12,318
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$98,000	\$98,000	\$675	\$13,239	\$85,682	\$12,318

**Project Title: Energy-Poverty Action Plan (GVEP)**

**Region / Country: Africa--Cameroon**

**Origin of Funds: Netherlands; Sweden**

**Task Manager: Emmanuel Noubissie Ngankam**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Update provided by Ananda Covindassamy and Emmanuel Noubissie.

During the past six months, the revised project report on Energy and Poverty in Cameroon has been completed on December 16 and finalized for publication on January 29. The final document has been adopted by the Government and signed by the Prime Minister (PANERP).

The project report has been converted into a Government document for endorsement by the Council of Minister in December, and has been selected by the Government as one the triggers for the HIPC completion point to be achieved by end-December 2005.

Dissemination has been initiated: A workshop took place on December 15-16 to present the conclusions of the study to the public, to civil society and to the various Ministries involved (Health, Education, Agriculture, and Energy). A number of donors (ADF, EU, UNDP) were associated to the discussion and endorsed the approach and conclusions of the plant.

**Impact**

The PANERP has had a considerable impact:

- it has been fully integrated in the Cameroonian PRSP as the contribution of energy to poverty reduction
- it has been adopted as the national strategy for energy access in rural area by the Council of Minister
- it was selected at the GVEP Annual Meeting in Brasilia as a "best practice"
- the CEMAC has decided to use the PANERP methodology and structure for its generalization in all CEMAC countries. This regional dissemination is supported by the EU.
- the PANERP has started mobilizing financing for energy access from IDB (USD 10 million), FEM and ADB (\$6 and 7 million respectively), Spain (Euro 5.3 million), ESMAP SME program (less than USD 1 million).
- the implementation of the institutional part of the PANERP is likely to be one of the pillars of the Cameroon PRSC under preparation.

**Next steps**

The next step in the implementation of the project is:

- further dissemination of the PANERP in Cameroon and internationally: ESMAP publication, establishment of a Web site for the PANERP and its implementation
- presentation as a "best practice" at Energy Week (to be confirmed)
- mobilization of additional funding for implementation (from donors and from HIPC counterpart funds)
- decree for the establishment of a Rural Energy Fund for the implementation of the PANERP (draft decree ready for approval)

The impact of the project is exceptional: it has been very widely disseminated locally in the press, radio, TV, selected as the best economic report in Cameroon, and adopted for replication by the Communauté Economique et Monétaire d'Afrique Centrale-CEMAC.

- 1) The project entered its last phase in the course of the period of July to December.
  - The consultant hired to carry out the study of the pilot projects submitted his final report in the month of October. This report was judged satisfactory by both the Project Implementation Unit and the Task Manager. The report covered 5 pilot projects of which two or three could be financed by the project.
  - A high level consultant was hired to finalize the National Energy Poverty Action Plan. He submitted the final report in December. The report was considered satisfactory. As a matter of fact, the plan is the essential objective of the project.
  
- 2) As stated in the Development Objective of the Project, the phase 4 which is the national workshop to validate the National Energy Action Plan took place on the 14th and 15th of December in Yaounde (Cameroon). This workshop which was chaired by the Cameroon Minister of Energy was attended by over one hundred participants drawn from various ministerial departments, the civil society, parliament, local government and the media. During these two days, discussions were focused on the implementation of the NEAP notably on the fact that the plan was taken into consideration in the revision of the PRSP of Cameroon together with its financing.  
Besides, the NEAP was one of the triggers of the HIPC completion point of Cameroon. The Government congratulated the team of the project and the Task Manger for having achieved this trigger before the deadline which is December 31 2005.
  
- 3) The project still has some resources. Before the update of the SAP, we think that the amount of money available is around US\$30000
  
- 4) In principle, the project ought to be completed by December 31. However, some sub-activities are still to be realized notably the implementation of some micro-projects and the publication of the NEAP. The project still has resources to carry out these activities but this would be done between January and March 2006. In this connection, I suggest that the closure date be extended to March 31 2006.
  
- 5) The two consultants hired for the project has already submitted their reports (see point 1).
  
- 6) The coordinator of the project took part in the annual meeting of GVEP which took place in Brasilia in the month of October. During this occasion, he presented the project which was saluted by all the participants. The Secretariat of GVEP sent us feedback and our project is a best practice. As indicated earlier, the NEAP was the subject matter of a national workshop on the 14th and 15th of December and was chaired by the Cameroon Minister of Energy.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$195,500	\$195,500	\$0	\$65,606	\$145,215	\$50,285
<b>World Bank (BB)</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$220,500	\$195,500	\$0	\$65,606	\$145,215	\$50,285

**Project Title:** Niger Energy-Poverty Action Plan (GVEP)

**Region / Country:** Africa--Niger

**Origin of Funds:** Netherlands

**Task Manager:** Michel E. Layec

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

1. Activities and outputs

Up to the recent designation of a new project manager, little progress had been made on this project. Three activities have now been initiated with the Authorities and with the Donor Community. The first activity consists in the delineation of the main expected outcome – the development in a consultative and consensual manner of an implementable action plan to reduce poverty in the urban and rural areas of Niger, through increased availability and access to energy services. The second activity consists in anchoring the objectives of increasing access to energy services in the overall Government development strategy and more specifically in the energy sector strategy. It is therefore planned that the project will be complemented by the development of an energy sector assessment and of a strategy and investment update. The third activity will be supporting the Authorities in mobilizing financing from the Donors community and, when feasible, from private partners.

2. Outcome and Impact

The main outcome of this project will be twofold. First, to increase the awareness of Niger's policy and implementing institutions of the linkages between availability and access to reliable and quality energy services, and poverty reduction, and on the related concrete activities that need to be implemented. Secondly, it is expected that this project will be a key vehicle for mobilizing external funding critical to increasing access to energy services in the urban and rural areas of Niger.

3. Disbursements projections

A disbursement profile will be available once agreement has been reached with Niger on the approach for carrying out the project.

4. Update on expected date of project completion and draft report

It is expected that the project will be completed by end of calendar year 2006, with a draft report available by the end of October 2006.

5. Hiring of consultants

It is expected that national and international consultants will be hired to carryout the project.

6. Publications/Knowledge Dissemination Activities

Knowledge dissemination activities will be planned in the context of confirming with Niger and the other partners, in particular with the European Commission, the detailed approach for carrying out the activities.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$200,000	\$200,000	\$0	\$9,301	\$9,945	\$190,055
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$200,000	\$200,000	\$0	\$9,301	\$9,945	\$190,055

**Project Title: Multisectoral Operational Plan to Maximize Poverty Reduction Impact of Rural Electrification in Senegal**

**Region / Country: Africa--Senegal**

**Origin of Funds: Netherlands; Core**

**Task Manager: Christophe de Gouvello**

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**Summary of Current Project Status, Issues and Actions:**

For Period Jul-Dec 2005: What are the project activities and outputs to date towards the ACHIEVEMENTS OF the project OBJECTIVES (as set out in the proposal approved by ESMAP) Be sure to focus your progress report on substantive issues, not logistics.

All the three main activities, that is:

- Identification of cross-sectoral activities (PREMs) to be implemented consistently with other sectoral programs to maximize the leverage effect of electricity provision on the impacts targeted by these other sectoral programs,
- Definition of Modalities of participation of rural collectivities in the Senegal Rural Electrification Program
- Identification of specific potential productivity gains associated to the diffusion of electricity and type of activities that can be handled to effectively promote these productivity gains to reduce poverty, have been completed.

The three specific reports prepared in French by the local consultant hired under this project are being consolidated in one synthetic report plus executive summary in English by the TTL.

**2. What is the OUTCOME AND IMPACT of the project to date?**

The findings of the first component (cross-sectoral activities - called "PREMs" for "Programmes Energétiques Multi-sectoriels) have been discussed with the Senegalese rural Electrification Agency and representatives of the private sector. Four of them have been further developed and two have been formally integrated as part of the tender of the first bidding process to be launched in Senegal under a rural electrification program co-financed by the World Bank, the KfW and the African Development Bank to award the first rural electrification concession in the region of Dagana Podor.

These four "PREMs" are listed in the table below:

PREMs

Sector

Electrical Equipment for Health Infrastructure (SAN1/DP)

Health

Milk Collection and Transformation LAI1/DP

Farming/Ind

Biomass energy production (charcoal bricks) for Rural Populations (ENE1/DP)

Energy/Biomass

Villages Water Supply (HYD1/DP)

Hydraulic

**3. DISBURSEMENT PROJECTIONS.** Please indicate projections for each half-year 'till the end of the project.

Disbursement is completed

**4. PROVIDE UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT.** Please also report problems encountered/causes for delays and changes in project design and/or changes in the project's closing dates.

Expected date of completion of synthesis report for publication is March 30, 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$149,999	\$149,999	\$0	\$0	\$149,999	\$0
<b>World Bank (BB)</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$174,999	\$149,999	\$0	\$0	\$149,999	\$0



**Project Title:** Zambia Energy-Poverty Action Plan (GVEP)

**Region / Country:** Africa--Zambia

**Origin of Funds:** Netherlands

**Task Manager:** Xiaodong Wang

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. Project activities and outputs: At govt. requests, the project changed its scope to develop implementation strategies for the revised national energy policy. This was approved by ESMAP. TORs for international and local consultants are developed, and consultants are identified. But contracts are not in place yet, since the consultants are not available until March. The project team also sought PPIAF funding to provide additional support to the international consultant as the advisor to the Minister of Energy, at the Minister's requests.

2. Outcome and impacts: The implementation strategy of the national energy policy, once completed, can provide practical guidance on Zambia's energy sector reform, policy, regulatory framework, access, private sector participation, etc.

3. Projection of completion date and disbursement: The project has not started disbursement yet, due to the changes in project scope. It is expected that the project can be completed by the end of 2006, and disbursement completed by early 2007.

4. Publications: The project is expected to publish the implementation strategy, if the govt. permits, which may be able to provide a good example on how to develop national energy policy.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$160,000	\$160,000	\$0	\$5,045	\$7,353	\$152,647
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$160,000	\$160,000	\$0	\$5,045	\$7,353	\$152,647

**Project Title:** Global Village Energy Partnership (GVEP) Asia Initiative

**Region / Country:** East Asia and Pacific Region

**Origin of Funds:** Netherlands; Core

**Task Manager:** Antonie De Wilde

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Having identified and contracted the in-country facilitators in the previous reporting period for Cambodia, Indonesia, Laos, Mongolia, Philippines and Vietnam, the project focused on (i) understanding the demand for energy across sectors, (ii) generating country ownership of the GVEP process, (iii) developing project and program investment concept notes, (iv) exchanging experience at the regional level.

Each country facilitator (see list in part 5) prepared an analysis of the demand for energy services in the rural areas as well as a review of the current project development practices. The information gathered from this stock taking activity was then thoroughly discussed with energy stakeholders in the respective countries, often with substantial discussions in the provinces (Philippines, Indonesia). The accent was put on cooperation with the government while involving stakeholders that are not usually involved in such an exercise (private sector, bankers, and other energy using sectors). The GVEP approach was discussed among all facilitators at a 2 days meeting late February, which enabled cross-fertilization and ensured that everyone had the same understanding of the required activities. Facilitators then used the output of the stock-taking work and of the stakeholder discussions to generate Project Idea Notes that presented \projects to be developed to answer the energy needs identified. In most cases, possible project proponents and financing sources were also involved or contacted.

Six country delegations of ten people each were then formed to participate to a Regional Workshop on Energy-Poverty, which was held early May In Phnom Penh Cambodia, simultaneously with a bankers workshop on financing access to sustainable energy. At this workshop, attended by 130 people, country delegates from six sectors (energy, health, agriculture, education, SME, water) exchanged their findings with bankers, donors, private sector representatives and discussed the feasibility of their Project Idea Notes. The breadth of projects discussed was important, with more than 30 project discussed ranging from biogas digesters to financing energy SMEs and from remote village electrification by combined wind-diesel to large improved cookstoves programs. The presence of country delegations at the regional workshop helped spearhead GVEP in each country and fast-track the development of national GVEP teams who will follow on with the work after the end of this project.

Following the regional workshop, all country teams took upon comments and advices to improve their proposals and worked on bringing them to the development level.

## 2. Outcome and Impact

In each country, the project helped extending discussions on access to energy services beyond the usual perimeter of energy specialists. It also generated in each case 5 to 10 project ideas to be developed by the GVEP country teams. Finally it introduced GVEP in the countries, giving it a base to work from. By the means of the in-country work as well as the regional meeting, it contributed to identify a dedicated team in each country that would be committed to carry-on GVEP activities in the future.

Furthermore, it contributed to some WB Group related activities such as (i) helping IFC identify partners and location for training, technical assistance and possibly providing lines of credits or risk sharing instruments to private banks on financing for small scale sustainable energy projects (in Cambodia, Indonesia, Philippines), (ii) for the WB, it provided possible relay mechanisms for projects either ongoing (feed the REF pipeline in Cambodia) or currently being developed (Mongolia or Indonesia). (iii) It also provided WB with several cooperation opportunities such as with in Indonesia with the training of local officials that will be in charge of the set-up an energy Trust Fund, or in Philippines to help the Philippines National Bank use it network of MFI's to develop lending instruments for sustainable village energy activities combined with productive use.

### 3. Disbursement Projections, Esmap only, on a total of \$350,000:

Through December 2004: Disbursed, \$29,894  
January-March, 2005 : Disbursed, \$39,796  
April-May, 2005: Disbursed, \$94,535  
June, 2005: Projected, \$120,000  
July-August 2005: Projected, \$65,775

### 4. Update on Project Completion

June: currently reviewing draft reports from consultants and providing feedback on project proposals when relevant.

July-August: Project formally completed, no new activities are expected to be initiated but the following activities will continue: (i) completion of reports, including room for possible requests for modifications when required, (ii) finalization of payments, (iii) coordination of transfer of activities to the GVEP Technical Secretariat.

### 5. Hiring Consultants

Formally selected and contracted the following in-country consultants:

- In Cambodia, ETC Consulting, Netherlands, International Consulting Company
- In Indonesia, Ms Helianti Hilman, Indonesian, YBUL, Local Consulting NGO
- In Lao PDR, Mr Souphab Kouangvichit, Lao, CEDS, Local Consulting Organization
- In Mongolia, Mr Tsegmid Sukhbaatar & Ms Dangaa Amartuvshin, consortium of Development Steppes and Mongolian Energy Association, Local Consulting NGO
- In Philippines, Ms. Feri Lumampao, Philippine, APPROTECH, Local Consulting NGO
- In Vietnam, Pham Khanh Toan, Vietnamese, Energy Institute, Local Consulting Organization

For the regional workshop, contracted the five following consultants:

- CEERD, Thailand, Local Consulting Company, for the proceedings
- Ann Lund, Cambodia, International Individual Consultant, for the logistics
- Conrado Heruela, Thailand, International Individual Consultant, for background documentation and presentation.
- Sanjay Barnela, India, International Individual Consultant, for video services
- Steven Ferrey, USA, International Individual Consultant, for background paper and presentation.

### 6. Publications

Reports are currently being produced and should include:

- Proceedings of the GVEP Asia Regional Workshop-
- 6 country reports on demand for energy at the customer, enterprises and sector levels in villages and peri-urban areas
- A list of project proposals to improve access to energy services in each country and their supporting documentation.

## 2. Outcome and Impact

In each country, the project helped extending discussions on access to energy services beyond the usual perimeter of energy specialists. It also generated in each case 5 to 10 project ideas to be developed by the GVEP country teams. Finally it introduced GVEP in the countries, giving it a base to work from. By means of the in-country work as well as the regional meeting, it contributed to identify a dedicated team in each country that would be committed to carry-on GVEP activities in the future.

Furthermore, it contributed to some WB Group related activities such as (i) helping IFC identify partners and location for training, technical assistance and possibly providing lines of credits or risk sharing instruments to private banks for financing for small scale sustainable energy projects (in Cambodia, Indonesia, Philippines), (ii) for the WB, it provided possible relay mechanisms for projects either ongoing (feed the REF pipeline in Cambodia) or currently being developed (Mongolia and Indonesia). (iii) It also provided WB with several cooperation opportunities such as with in Indonesia with the training of local officials that will be in charge of the set-up an energy Trust Fund, or in Philippines to help the Philippines National Bank use it network of MFI's to develop lending instruments for sustainable village energy activities combined with productive use.

### More country-specific:

In Mongolia, four of the five country proposals were folded into the energy World Bank project. The fifth one, a rural wind farm, will be financed by IFC.

In Laos, all country proposals were folded into a unique one that was sent with a request for funding to the GVEP gap fund. UNDP is looking into providing additional support.

In Philippines, discussions on the follow-up have been done directly with UNDP Bangkok, on projects involving small scale energy producing for productive uses.

In Indonesia, the Poverty Recovery Committee (KPK) was established as the key partner to the initiative, with GVEP activities being folded in its core actions.

In Cambodia, The Bank and IFC have established contacts with the national bankers association to provide energy related TA. Furthermore, discussions are held use some of project notes to feed the pipeline of the Rural Energy Fund and develop one of the project note using CDM financing mechanism

## 3. Disbursement Projections

Sap only, on a total of \$350,000:

Through December 2004: Disbursed, \$29,894

January-March, 2005: Disbursed, \$39,796

April-May, 2005: Disbursed, \$94,535

June- September, 2005: Disbursed, \$142,954

By December 2005: Projected, \$43,273

## 4. Update on Project Completion

January 2006: Project formally completed, no new activities are expected to be initiated but the last payments that had been delayed will be completed.

## 5. Hiring Consultants

No consultants were selected and contracted in this period:

## 6. Publications

The following reports have been produced (see W:\GVEP East Asia Deliverables):

-Proceedings of the GVEP Asia Regional Workshop

- 5 country reports on demand for energy at the customer, enterprises and sector levels in villages and peri-urban areas

- Detailed project proposals in each 6 participating countries to improve access to energy services in each country and their supporting documentation.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$350,452	\$350,452	\$12,322	\$11,911	\$319,090	\$31,362
<b>World Bank (BB)</b>	\$0	\$5,846	\$0	\$0	\$5,846	\$0
<b>Non-ESMAP Trust Funds</b>	\$141,725	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$492,177	\$356,298	\$12,322	\$11,911	\$324,937	\$31,362

**Project Title: Global Village Energy Partnership (GVEP) Secretariat**

**Region / Country: Global**

**Origin of Funds: Netherlands; Germany; Sweden; United Kingdom; Core**

**Task Manager: Dominique M. Lallement**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Technical Secretariat Management, Staffing and Operational Structure.

1. The Technical Secretariat: Staffing and Resources. has been transferred to ITDG for over 8 months. Dr. Abeeku Brew-Hammond took his position as manager of the Technical Secretariat in September 1, 2004. The staffing of the Technical Secretariat in Rugby has now reached a certain level of stability. Besides Dr. Abeeku Brew-Hammond:

- two full time members: an Energy Specialist on secondment from DFID, a research assistant from India (locally recruited with a Msc from Oxford University); another full-time energy specialist is being hired.
- two part-time members from ITDG: an energy specialist (from Peru, 2.days a week), and a senior staff who provides 1 1/2 days a months on Monitoring and Evaluation.
- two support staff,

Off-site: two energy specialists paid for by USAID and UNDP.

- A Swedish JPO is being hired and will be located in ITDG, Kenya, in particular to work on impact evaluation.

2. ITDG's support to Technical Secretariat includes

- Logistical Support. As part of its contract, ITDG has provided a shared-space office to the technical secretariat, various conference rooms, and IT support.
- Professional Support to the Technical Secretariat

3. Technical Secretariat Workprogram Deliveries.

The Technical Secretariat spent a considerable amount of effort developing the Business Plan, and meets the Board's request on this. The Technical Secretariat has engaged in quite a number of activities, related to public relations public relations (visits to EUEI, REEEP, and various donors),· advocacy (participation in a number of international conferences : AFDB, IEA, World Bank Energy Week, Beijing Hydropower, CSD Regional Meeting),work at the country level (Cameroon Action Plan mission, East Africa Country Facilitators Training, East Asia Multi-Sector Energy Poverty Workshop, LAC-Video Conference with Country Facilitators), and financing facilitation: search for new funders and development of the GAPFund.

4. Monitoring and Evaluation. The working group which includes members from both GVEP and EUEI (and possibly REEEP) is progressing. Methodologies are being shared among members and are being written up.

5. The first Partners Assembly was held in October 2005. The GVEP First Partner Assembly was preceded by a day of side events on the 18th and a presentation of the Brazilian program Luz para Todos on the 19th. The main assembly took place on 20th and 21st October.

The Goal of the Partner Assembly was to deepen global awareness of energy as a critical input for poverty reduction and socio-economic development.

The Objectives were to provide a forum for the following:

- GVEP Partners to report on activities, accomplishments, and plans for increasing energy access while reducing poverty.
- GVEP Technical Secretariat and Board to discuss their past, on-going, and planned activities and achievements, and to get feedback from the Partners.
- Give Partners the opportunity to meet and discuss approaches to energy access and poverty reduction.
- Introduce Partners to existing Board members and to new Board members who will take office October 2005.

- Meet the governance requirement to hold a Biennial Partner Assembly.

The Goal was achieved to the extent that there was active discussion on the role that energy services play in achieving the MDG and that in particular there were a number of journalists present from around the world who were interested in development issues but all not energy specialists.

The Objectives were largely met:

- A number of partners from governments, NGO and the private sector reported on their activities, both in the main assembly and in the side events.
- Members of the Technical Secretariat and Board made presentations and the feedback from the breakout groups provided some very positive support and guidance for the future
- There was good opportunity in side events, breakout groups and in the margins of the main Assembly for Partners to meet and discuss
- Board members were present throughout and took active roles in charring sessions. New Board members were introduced to delegates at the evening reception
- The governance requirements were met albeit one year behind schedule.

In addition to the support to the Technical Secretariat, ESMAP financed a consultancy for the development of the Knowledge Management and Communications Strategy for the Partnership.

Moving into 2006, the partnership is expected to see the implementation of several country action plans, and the preparation of new ones. The partnership now has more than 800 partners. It is expected that GVEP will be very present at the Commission for Sustainable Development in May 2006. One of the challenges is for the Technical Secretariat to secure additional financial resources.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,036,441	\$2,015,691	\$410,663	\$127,526	\$1,639,555	\$376,136
<b>World Bank (BB)</b>	\$0	\$50,285	\$0	\$0	\$50,285	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,036,441	\$2,065,976	\$410,663	\$127,526	\$1,689,840	\$376,136

**Project Title: GVEP - GAPFund**

**Region / Country: Global**

**Origin of Funds: NA**

**Task Manager: Douglas French Barnes**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: the GAPFund has not only been initiated, but has been opened for operations. The significant tasks that were achieved during this time period are as follows. A request for proposals for a GAPFund manager was prepared and advertised. Firms were shortlisted in July and the contract was awarded in late August. The request for proposal process was developed and cleared by procurement, legal, financial management and trust funds.

The winning firm was Winrock, International, located in Arlington, VA. Winrock International (WI), a US-based nonprofit organization that works to help the poor and disadvantaged increase long-term productivity, equity, and responsible resource management, including through access to energy services, has been appointed the GAPFund Manager. Under this contract, Winrock International will help implement the GAPFund program on behalf of GVEP. As part of this, Winrock International will manage the process of evaluating and prioritizing project proposals for funding consideration by the GAPFund, and also will be responsible for the monitoring of the implementation of the selected projects. The projects will be financed through the ESMAP program of the World Bank, so they must be in compliance with World Bank guidelines.

The current status of the program is that at present Winrock is accepting proposals and the evaluations and subsequent project awards will be continued through Spring.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,500,000	\$0	\$150,000	\$19,288	\$19,288	-\$19,288
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,500,000	\$0	\$150,000	\$19,288	\$19,288	-\$19,288



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**Project Title:** Energy Solutions for the Poor Marginalized Communities (in the framework of GVEP follow up)

**Region / Country:** Latin America and Caribbean--Bolivia

**Origin of Funds:** Netherlands

**Task Manager:** Dana Rysankova

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The activity was developed in a difficult country situation, with continued social tensions and uncertainties before the elections of December 16, 2005. The activity concentrated on the following pillars:

1. Assistance to the Vice ministry of Energy and Telecommunications in the development of Rural Energy Plan. Although the plan is developed by the Vice ministry with IDB funds, GVEP and its partners assisted in the development, ensuring that non-electricity energy issues are included as well as building better cross-sectoral linkages (education, tourism, health).
2. Development of pilots. The first phase of the pilot Energy and education was completed, fully with private funds (Transredes and Energetica). Evaluation is in progress. The next phase will be implemented on a larger scale with GVEP/ESMAP funds. Pilot projects were designed also for energy/tourism and energy/health and are expected to be implemented after elections.
3. New GVEP partners were included, such as Chamber of Industries, a newsletter for the members is being developed and the first one should be published in February, as well as a local web site with information for both members and non members.
4. Budget information has been submitted and is under the implementation tab in ESMAP's project database.  
;06/27/2005: 1. Achievements since January 1, 2005

Bolivia has been going through a period of severe political and social crisis, which recently resulted in the resignation of the President. The divisions and polarization inside the Bolivian society (particularly between indigenous and non-indigenous population) have been growing, and there is also a considerable anti-private sector sentiment. This environment has been detrimental to the development of public-private partnerships, such as GVEP, aiming to bring together government, civil society and the private sector.

Nevertheless some progress has been achieved. Mainly, the first pilot project, providing schools with electricity and improved cookstoves was implemented, fully financed through private sources (Transredes and Energetica, both GVEP members). Additional pilot projects were identified and work progressed on their design (concentrating on energy as an input for education, health and tourism). These pilot projects, however, could not be implemented in the current conditions. In addition to the GVEP coordinator, who was contracted already in September 2004, an additional professional has been contracted to help primarily to diffuse information about GVEP and build new alliances. A web-site with GVEP information and periodic newsletter are being put in place.

The political environment in Bolivia is expected to continue to be very fragile, and it was agreed that the GVEP-Bolivia will focus in the upcoming months particularly on implementing specific rural energy activities, with benefits for the poor, indigenous population, as a way to demonstrate the possibility of broader public-private partnerships for the delivery of services for the poor.

2. Outcome and Impact to the date

The local GVEP alliance has been established, comprising members from public sector, private sector and civil society.

A first pilot project (fully funded by GVEP members) was implemented and its results will be evaluated.

Local diffusion strategy has been developed.

3. Expected date of project completion and draft report. The project was expected to be completed in December 2005. However, due to continued political turmoil and upcoming elections (late 2005 or early 2006), it is likely that the project's closing date will need to be extended to at least June 30, 2006.
4. Hiring consultants. The project has employed individual consultants only, contracted according to the Bank guidelines.
5. Publication/knowledge dissemination activities. Once completed, the project's outcomes and lessons will be shared through workshops both in Bolivia and in Washington DC. The project has developed a local diffusion strategy, using a web-site and local newsletter.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$185,000	\$185,000	\$19,208	\$17,075	\$41,216	\$143,784
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$185,000	\$185,000	\$19,208	\$17,075	\$41,216	\$143,784

**Project Title:** Village Energy Solutions for Remote Areas of Brazil. Specific Support to the Implementation Strategy of the Universal Access Program and to the National Energy Action Plan (GVFP)  
**Region / Country:** Latin America and Caribbean--Brazil  
**Origin of Funds:** Netherlands  
**Task Manager:** Dana Rysankova

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Following the 11-05 mission of Sue Goldmark and Dana Rysankova to Brasilia, the Brazilian Ministry of Mines and Energy (MME) has provided the final versions of the first TOR needed for the Luz Para Todos offgrid component which will be launched in 2006. The focus remains on village energy and productive uses of renewable energy in the Amazon region – a matter at the heart of Luz Para Todos. The next consultancies to be procured will be on: (i) M&E process for Luz Para Todos; (ii) Several contributions to the upcoming biomass conference in Brazil; (iii) Analysis of existing information on offgrid target markets in the Amazon region. Project closure has been pushed to FY07, to align the activity outputs to the needs of Luz Para Todos. During the latest mission to Brasilia, the Brazilian Ministry of Mines and Energy (MME) has redefined its priorities for the study based on its most pressing demands in Luz Para Todos. The new focus will be on village energy and productive uses of renewable energy in the Amazon region. MME has drafted several new Terms of Reference which will be procured and implemented in 2005.

**Budget Summary**  
 as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$350,000	\$350,000	\$17,821	\$3,826	\$53,025	\$296,975
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$350,000	\$350,000	\$17,821	\$3,826	\$53,025	\$296,975

**Project Title: Honduras: New Approaches for Delivery of Energy Services in Rural Areas (GVEP)**

**Region / Country: Latin America and Caribbean--Honduras**

**Origin of Funds: Netherlands**

**Task Manager: Dana Rysankova**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. & 2 Project outputs and outcomes. The objective of this activity is to support the Government of Honduras, in coordination with other national stakeholders, in developing a comprehensive, integrated energy-poverty reduction strategy and an action plan. The proposed project aims at addressing these issues, focusing on three strategic areas:

Task 1: Develop energy-poverty reduction strategy and action plan

Task 2: Demonstrate the potential for sustainable community-based public private partnerships in rural electrification.

Task 3: Design and implement a capacity-building program for local stakeholders

Tasks 2 and 3 have already been completed. Investments for a sustainable community-based microhydro power plant will be provided under the Electrification Component of the Honduras Rural Infrastructure Project. Therefore Task 1, the most intensive of the three Tasks has been the main focus of the project in the last 6 months. Therefore, one of the key outcomes of this project contributed to the inclusion of the rural electrification component in the Honduras Rural Infrastructure Project. The PIR will demonstrate the potential for sustainable off grid energy solutions including community-based microhydro power projects.

Task 1: During the period from June to December 2005 significant strides have been made in re-establishing links with stakeholders involved in the development of the GoHs Action Plan. ESMAP/GVEP has been instrumental in providing support for all of these activities, and has strengthened the presence of GVEP in Honduras through the services of a consultant who has had significant on-the-ground experience with the GVEP action planning process in Bolivia. His intervention, alongside that of staff from the Region, has been instrumental in attaining the level of work advanced to date. Of particular importance have been two events which have gone a long way in promoting the importance of energy and sound energy policy, in the context of the GoHs PSRP:

1 ESMAP/GVEP Workshop, Tegucigalpa, Honduras, September 21 – 22, 2005

Representatives from key sectors of government were invited to hear about the status of ESMAP/GVEP sponsored activities. Among these, were the findings of studies that had been recently performed, that evaluated current conditions/barriers in wood-fuel markets as well as rural energy markets? These findings were revealing in that they confirmed the need for much stronger action in addressing longstanding weaknesses in current government policy and regulation in both sectors. Of note were the following conclusions:

**Energy:**

- Immediate need for a Rural Electrification Program with clearly defined targets and objectives
- New regulation that would promote greater private sector participation, particularly in off-grid projects.
- New finance mechanisms that could support a dynamic rural electrification process.
- New regulations that would promote favorable conditions for ESCO's to sell excess capacity back to the grid.

**Biomass/Woodfuel:**

- Greater control of current wood fuel markets and certification of wood fuel sources
- Improved control over wood fuel pricing
- New interventions in the development of sustainable wood-fuel sources, coupled with strong campaigns designed to inform end users of the negative environmental consequences of uncontrolled wood fuel consumption.

These presentations were followed by a breakout-session – led by key sector representatives (Health, Education, Electricity, Infrastructure and Public Utilities) that promoted further discussions of the energy and wood fuel study findings, this, in the context of each sectors perceived needs and or weaknesses. This exercise resulted in the identification, by sector, of key actions and activities to be developed within a 1 to 2 year timeframe. This information has become an important component of the GoHs Action Plan. This event was critical in establishing GoH buy-in for the Action Planning Process, an aspect that was later highlighted by the participation of a high-level government delegation to the recent GVEP conference held in Brazil.

2 1st GVEP Partners Assembly, Brasilia, Brazil, October 20-21, 2005. Sponsored by the ESMAP/GVEP project, a high level government delegation – which included the sub-secretary from SERNA – attended this conference, with the objective of presenting the outline of the Honduras new energy-poverty reduction action plan. Furthermore it was an opportunity to meet with delegations of other GVEP partner countries that are farther ahead in the action planning process, such as Indonesia, Cameroon and Brazil. Other important meetings included several one-on-one sessions with members of the GVEP Technical Secretariat.

§ Institutional arrangements to ensure both leadership and continuity of actions at the government level, in coordination with both energy sector stakeholders and the programs implemented in the context of the PRSP process. This proposal will be developed through various consultations and interviews with Honduran government institutions and public agencies.

§ Donor community support to implement the Action Plan by identifying sources of funding and potential synergies with ongoing/new programs and projects. This proposal will also be discussed with key donors to identify potential synergies.

3. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT. The project was expected to be completed in December 2005. However, due to recent elections in Honduras (December 2005) it will be preferable to extend the project duration until June 30, 2006 to ensure that the activity's recommendations and outcomes can be discussed with the new administration. The TTL therefore requests a six-month extension for this project.

4. HIRING OF CONSULTANTS: The project has employed individual consultants only, contracted according to the Bank guidelines. It is expected that a new GVEP Coordinator will be identified and contracted for 3-6 months in order to ensure the transition with the new government and the beginning of the implementation of the action plan.

5. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES: A presentation of the experience of GVEP in Honduras during Energy Week 2006 is being contemplated. Once the project is completed, its outcomes and lessons will be shared through workshops both in Honduras and in Washington DC.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$310,000	\$215,000	\$32,882	\$43,606	\$175,229	\$39,771
<b>World Bank (BB)</b>	\$15,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$325,000	\$215,000	\$32,882	\$43,606	\$175,229	\$39,771

**Project Title:** Development of Regional Capabilities in Three States of the Republic to Foster Energy Projects for Rural Areas, Focusing on Renewable Energy (GVEP)

**Region / Country:** Latin America and Caribbean--Mexico

**Origin of Funds:** Netherlands; Core

**Task Manager:** Gabriela Elizondo Azuela

**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec 2005: The GVEP initiative in Mexico is aimed at identifying appropriate institutional schemes at the Federal, State and Municipal levels to promote rural electrification projects based on renewable energy solutions in regions with low electricity coverage. The first stage of the initiative has focused on the analysis of lessons learnt and the identification of elements of success associated with previous off-grid rural electrification projects in Mexico (i.e. case studies across Mexico). This analysis includes all relevant dimensions: institutional, economic, fiscal, financial, social, environmental and other. The second stage of the initiative has focused on understanding institutional structures and the roles of key stakeholders to identify appropriate schemes and/or models that allow the efficient development of rural electrification projects based on renewable energy solutions not connected to the grid.

The GVEP work in Mexico included capacity building and/or training activities. Dissemination will start soon.

During the development of the activities proposed in the concept note, the focal point (SENER), partners and consultants agreed that the initiative should focus more on those States with lowest electricity coverage and the highest levels of poverty. For this reason, the focus of the analysis place special emphasis on the Southern States. The experiences of other States such as Chihuahua, Guanajuato, Quintana Roo and others were only included as case studies in the analysis of lessons learnt and institutional models.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$365,000	\$365,000	\$125,360	\$50,581	\$131,229	\$233,771
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$365,000	\$365,000	\$125,360	\$50,581	\$131,229	\$233,771

**Project Title:** Petroleum Revenue Transparency Audits

**Region / Country:** Africa--Nigeria

**Origin of Funds:** Sweden

**Task Manager:** Charles P. McPherson

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The TORs were delivered to the government in December of 2003. Final output (TOR for Petroleum Revenue Audit) is on file. Capital Alliance, the consulting firm produced about 12-15 pages. 3. The government (actually a stakeholder working group consisting of government and others) chose not to use the TOR directly, partly because they felt they were not adequately consulted in selection of the firm producing the audit.

This was a very rush job to use ESMAP funds at ESMAP's request before their availability expired; it was a job requested by the Bank for possible use by government, i.e. presented as a suggestion. And partly because the government chose to go a much more costly and time consuming route, i.e. holding an expensive tender to engage a consultant to draft the TOR. Looking back on the exercise, it was worth it and the simpler TOR did have a positive impact on the ultimate outcome.

Budget Summary  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
ESMAP Trust Funds	\$15,000	\$15,000	\$0	\$0	\$15,000	\$0
World Bank (BB)	\$0	\$0	\$0	\$0	\$0	\$0
Non-ESMAP Trust Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$0</b>

**Project Title: Resource Funds: A comparative Analysis (Revenue Management Proposal)**

**Region / Country: Global**

**Origin of Funds: Core**

**Task Manager: Silvana Tordo**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Overall Impact: The outcome of our research is the publication of the report which will act as reference document for governments that are considering setting up or redesigning resource revenue funds. A request has been received from the Russian Government to have a preliminary copy of the report in order to prepare for the summit of the G8 Finance Ministers on February 11, 2006. Other governments are discussing these issues with Bank teams and have expressed an interest in receiving a copy of the report.

The draft report was completed in November 2005 and circulated to peer reviewers. Comments from three reviewers have already been received. We expect the remaining comments by the end of 2005. At that point, the final version will be produced which we expect to occur by end of February 2006. The structure of the paper is the following:

Chapters	Title
1	Oil and Oil Funds
2	The Alberta Heritage Savings Trust Fund
3	The Alaska Permanent Fund
4	The Norwegian Government Petroleum Fund
5	State Oil Fund of the Azerbaijan Republic
6	Some other resource funds: <ul style="list-style-type: none"><li>a. National Fund of the Republic of Kazakhstan</li><li>b. The Petroleum Revenue Management Framework of the Republic of Chad</li><li>c. The Petroleum Fund for Timor Leste</li><li>d. Sao Tome e Principe: the National Oil Account and Permanent Fund</li><li>e. Nauru Phosphate Royalty Trust Fund</li><li>f. The Papua New Guinea Mineral Resource Stabilization Fund</li><li>g. The Chilean Copper Fund</li></ul>



- h. Venezuela: the Investment Fund for Macroeconomic Stabilization
  - i. Oman: the State General Reserve Fund
  - j. The Russian Oil Stabilization Fund
  - k. The Kuwait Reserve Fund for Future Generations
- 7 A Comparative Analysis of Oil Funds

Annexes Legislation pertaining to certain funds

Requests from country teams and governments to receive early versions of the material have already been received. We plan on distributing the paper in March 2006, when it will be ready for publication. Presentations of the material may be made to countries and through the BBL.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$112,670	\$112,670	\$9,450	\$17,688	\$66,670	\$46,000
<b>World Bank (BB)</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$137,670	\$112,670	\$9,450	\$17,688	\$66,670	\$46,000

**Project Title: Honduras: Petroleum Exploration & Mgt.**

**Region / Country: Latin America and Caribbean--Honduras**

**Origin of Funds: NA**

**Task Manager: Marc L. Heitner**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The subject activity was aborted for lack of funding. A preparatory mission visited Honduras, and the Concept Note below was prepared.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$0	\$11,232	\$3,289	\$12,240	-\$12,240
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$0	\$11,232	\$3,289	\$12,240	-\$12,240

**Project Title:** Paraguay: TA Preparation of an Oil Supply Strategy

**Region / Country:** Latin America and Caribbean--Paraguay

**Origin of Funds:** Core

**Task Manager:** Eleodoro O. Mayorga Alba

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The draft law to reform the downstream petroleum sector - in accordance with the project objectives - was submitted by the Presented to Congress for promulgation. In the meantime a report has been prepared presenting the issues covered, the process follow and the main recommendations of this activity. Although some delays have started to accumulate in Congress, the reform has already produced benefits. Prices have been significantly adjusted at levels close to those of neighbor countries (Brazil and Argentina) and as such the tax losses and smuggling have been practically eliminated.

All the funds have been used. The final edit of the attached final report is expected in the coming weeks; once completed its publication should proceed.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$105,000	\$105,000	\$0	\$0	\$100,415	\$4,585
<b>World Bank (BB)</b>	\$15,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$120,000	\$105,000	\$0	\$0	\$100,415	\$4,585

**Project Title:** Power Sector Reform in Africa: Assessing the Impact on the Poor and Influencing Policy Decisions

**Region / Country:** Africa Region

**Origin of Funds:** Core: Sweden

**Task Manager:** M. Ananda Covindassamy

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$196,000	\$196,000	\$0	\$313	\$186,761	\$9,239
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$196,000	\$196,000	\$0	\$313	\$186,761	\$9,239

**Project Title:** Ghana Energy PSIA of Energy Sector Reforms

**Region / Country:** Africa--Ghana

**Origin of Funds:** Core

**Task Manager:** Sarah Keener

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The project allowed for an increased capacity to carry out poverty analysis in the energy sector in Ghana, increased involvement of stakeholders in the dialogue on the sector through the creation of a multi-stakeholder group that supervised the process throughout, and to substantive changes in the work program - namely the inclusion of budget to prepare a rural electrification project that included a specific element for off-grid electricity sources for the poorer Northern areas that the PSIA showed were unlikely to benefit to the same degree from new investments (based on analysis of past trends in rural electrification share of investments by region). This latter element was a conclusion and recommendation of the PSIA. Dissemination occurred through several events, and broader press dissemination is actually planned for the next several months through our country office.

I attach a chapter that we have written on this which outlines impact etc. as well as a summary matrix. I also attach a briefing note done for a recent QAG review. (these have been saved under the implementation tab of the ESMAP project database).

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$70	\$46,730	\$3,270
<b>World Bank (BB)</b>	\$4,000	-\$11,762	\$0	\$0	-\$11,762	\$0
<b>Non-ESMAP Trust Funds</b>	\$106,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$160,000	\$38,238	\$0	\$70	\$34,968	\$3,270

**Project Title: Impact on the Poor of the Electricity Sector Reform in the Kingdom of Lesotho**

**Region / Country: Africa--Lesotho**

**Origin of Funds: Core**

**Task Manager: Gilberto de Barros**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: ACHIEVEMENTS OF ITS OBJECTIVES. The main objective of the PSIA was to provide guidance on the expected social impact of the proposed power sector reform and institutional consideration that are important to take into account during the reform implementation.

2. OUTCOME and IMPACT. The outcomes of the study are used for policy discussion in the context of the Lesotho Utility Sector Reform Project. The activities were implemented as scheduled. The outcomes can be summarized. Connected households are better off than the non-connected ones as they save by substituting under-priced electricity for other fuels. The higher the gap between the cost of electricity and its price, the higher the over-usage of it and the resulting subsidization, with the subsidies mostly going to the better-off groups of the population. The structure of fuel consumption of the newly connected residential consumers will be different from the one the connected households have. It is likely that they will have lower share of electricity in the energy bundle and higher share of paraffin. While high- and middle-income groups can afford paying higher tariffs without noticeably reducing consumption, tariff increase might result in reduced consumption by lower income groups. Households in the two bottom quintiles might already be in the inelastic area of the demand curve and will not be able to increase their energy spending with tariff increase assuming their income stays the same. Steep tariff increases could lead to lower income groups considering the use of non-electrical appliances/machinery.

All else equal, households are projected not to decrease the kWh consumption much with tariff increase. Factors that can change this outcome are: access to other fuels and prices of other fuels as well as household income. Assuming access to cheaper fuels is improved and incomes don't increase, it is safe to project that household consumption of electricity goes down, more so for lower quintiles. The majority of currently unconnected households would prefer low amperage connections, mostly the 10amp option. Findings clearly show a positive statistical relationship between economic status and amperage selection. Down payment policy is a roadblock to access and consumption level. The non-connected households expressed a strong preference for an option of paying a small part of the full connection cost upfront, with the remainder paid off over time (as opposed to a full-cost up-front connection fee payment option). Findings suggest widespread acceptance of the pre-payment system. Respondents felt that there must be a way for the LEC to notify them of power failures: households and businesses incur substantial losses when electricity fails. Automated Vending Machines for electricity pre-payment cards are viewed as very convenient by both domestic users and businesses. However, they are often broken; proper maintenance of them is needed. In addition, installing AVMs in convenient places would be appreciated.

3. PUBLICATION. Final Report was submitted to ESMAP and is now in publication process.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$38,919	\$11,081
<b>World Bank (BB)</b>	\$22,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$72,000	\$50,000	\$0	\$0	\$38,919	\$11,081

**Project Title:** Assessing the Impacts of Energy Sector Reform on the Poor

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** M. Ananda Covindassamy

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$430,000	\$360,915	\$21,400	\$2,100	\$306,129	\$54,786
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$430,000	\$360,915	\$21,400	\$2,100	\$306,129	\$54,786



**Project Title:** Pakistan - Household Impact Analysis of the Energy Sector Reform

**Region / Country:** South Asia--Pakistan

**Origin of Funds:** Netherlands

**Task Manager:** Masami Kojima

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The findings of focus group discussions and in-depth individual interviews have been analyzed using Stata, a statistical package. A draft final report has been prepared and is undergoing a peer review process. The report is expected to be finalized in January 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$125,000	\$125,000	\$26,731	\$25,370	\$87,203	\$37,797
<b>World Bank (BB)</b>	\$20,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$145,000	\$125,000	\$26,731	\$25,370	\$87,203	\$37,797

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**Project Title:** Sustainable and Efficient Energy Use to Alleviate Indoor Air Pollution in Poor Rural China

**Region / Country:** East Asia and Pacific--China

**Origin of Funds:** United Kingdom; Core

**Task Manager:** Enis Baris

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. What are the project activities and outputs to date towards the ACHIEVEMENTS OF its OBJECTIVES (as set out in your original proposal approved by ESMAP) Please be sure to focus your progress report on substantive issues, not simply logistics.

All field activities have been completed, all data has been collected and analyzed. The Chinese team submitted the technical report, and the Bank-financed external evaluation of the IAP project is currently underway and will be finalized in the next 5 months. Next project visit is scheduled for January 11th, 06.

All project objectives as stated in the ESMAP proposal have been achieved, aside from the corollary objective, part of which remains to be finalized. This refers to the specific policy sections and standards for larger scale interventions that still need to be articulated. The policy aspects will be addressed in a World Bank report which is to be completed within the next 5 months.

2. What is the OUTCOME AND IMPACT of this work to date, including progress towards achievement of the proposed outcomes? This is the most important section of your progress report - what progress has been made towards achieving the proposed outcomes (policy changes implemented, government officials capacity built, investment programs prepared, systems installed and used, experiences from other countries learned and applied). Please try to be specific and tell the story of why this project has a good chance to be successful. Donors are paying increasing attention to this section.

Measurements show clearly that indoor air quality was improved through intervention, as stoves installed during this project emitted significantly less pollutants than the old ones. The stoves that fitted local customs were welcome by the villagers, and researched showed that a significant number of participants of the partial-intervention group were willing to improve stoves on their own. Furthermore, results from the project areas demonstrate that IAP awareness level, including the understanding of the source of pollution and prevention methods, was greatly increased. Best results were reported from areas where health education was combined with stove intervention.

Health effects varied and a longer period of observation will be necessary to determine the exact intervention impact on the population.

Market development mechanism has been supported in some areas by a reduced sale tax to encourage enterprises in production of air circular stove. One county introduced a compulsory regulation of stove construction in support of the project goals. The project has overall succeeded in drawing increased attention to the problem of IAP and a number of new initiatives with the objective of improving old stoves, which drew lessons from the ESMAP supported operation, are currently being implemented.

3. DISBURSEMENT PROJECTIONS. Please indicate projections for each half-year until the end of the project (please note that we will be updating the disbursement information for the project up to end December from SAP in January but we need your projections).

The projected amount for the next half-year is \$240,000. This includes the compensation, fees and travel expenses of three consultants and TTL (\$150,000), the cost of inviting four Chinese delegates for the Global Health Council's 33rd Annual International Conference (\$30,000) and the cost of organizing a symposium on IAP (\$60,000). The project will close June 30, 2006.

4. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT. If there are delays, please report problems encountered and the causes for delays and changes in project design.

The project is expected to close as previously scheduled on June 30, 2006 with the publication of a WB/ESMAP report and the final seminar.

5. HIRING OF CONSULTANTS. What are the consultancies launched during the reporting period?

Two new short-term consultants have been hired:

Ms. Fei Yu at Harvard University to work with Mr. Ezzati, a long-term consultant, and Ms. Zuzana Boehmova at HQ to work with Mr. Baris.

6. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES: Update on the preparation of any reports and/or plans for brown bag lunches, presentations, workshops, seminars or courses pertaining to your ESMAP activity.

Next steps include two key dissemination activities, which will both help the Bank and policy makers in countries where biomass use is extensive to develop multi-sectoral policies, and inter-sectoral interventions to alleviate the consequences of biomass use.

The first is producing the final World Bank report geared towards inter-sectoral policy implications.

Secondly, project findings will be disseminated at a major international conference (Global Health Council's 33rd Annual International Conference on Global Health, May 30 –June 2, 2006) and at the major international project related symposium on IAP, where findings and recommendations of the study will be presented. The symposium will bring together 50-60 Chinese and international experts and is expected to be held in Washington at the end of May/beginning of June 2006.

Publications: Paper on results of the baseline KAP survey was accepted for publication by the Social Science and Medicine under the title "Exposure to indoor air pollution from household energy use in rural China: The interactions of technology, behavior, and knowledge in health risk management" is currently in press.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,213,731	\$1,213,731	\$38,500	\$10,422	\$912,228	\$301,503
<b>World Bank (BB)</b>	\$30,000	\$10,965	\$0	\$0	\$10,965	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,243,731	\$1,224,696	\$38,500	\$10,422	\$923,192	\$301,503

**Project Title:** Capacity Building and Policy Assessment in Indoor Air Pollution

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** Todd M. Johnson

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: This project was completed in 2004, but we have continued to track the outcomes from the Indoor Air Conference 2002, in which ESMAP supported 13 participants from six developing countries, including China, India, Guatemala, Mexico, Nepal, and Zimbabwe.

A note provides details on the participants supported by ESMAP is available in ESMAP's database, and the follow-up publications on health impacts of indoor air pollution and interventions to mitigate them in several developing countries. The PDF files of work coming out of the conference are available in ESMAP's database.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$45,900	\$45,900	\$0	\$0	\$43,309	\$2,591
<b>World Bank (BB)</b>	\$33,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$78,900	\$45,900	\$0	\$0	\$43,309	\$2,591

**Project Title:** Nicaragua - Pilot Commercialization of Improved Cookstoves

**Region / Country:** Latin America and Caribbean--Nicaragua

**Origin of Funds:** Core: Netherlands

**Task Manager:** Clemencia Torres

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$185,000	\$185,000	\$0	\$0	\$177,630	\$7,370
<b>World Bank (BB)</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$210,000	\$185,000	\$0	\$0	\$177,630	\$7,370

### Summary of Current Project Status, Issues and Actions:

For period Jul-Dec 2005. The randomized intervention design allowed for efficient comparison of stove types with minimal influence of confounding factors.

Comparisons of the changes in IAP levels and exposures over time, acknowledging the correlation between IAP levels within households, allowed detection of small differences between the two EcoStove models.

- Both the closed and semi-open EcoStove models achieve large reductions in indoor air pollution and exposure among Nicaraguan women cooking in enclosed kitchens.
- Although the data suggest the possibility that the closed EcoStove model reduces women's  $PM_{2.5}$  exposures by a greater amount than the semi-open model, these comparisons are not conclusive.
- The reduction in kitchen levels of  $PM_{2.5}$  were significantly greater with the closed EcoStove than semi-open EcoStove.
- Although open fire use after the intervention did not change the results of the stove comparisons, even the very small amount of reported open fire use did have a significant effect on  $PM_{2.5}$  exposures and would be a concern if it increased over time.
- The magnitude of these exposure reductions is expected to have great health benefits for Nicaraguan families. Given data on the local incidence or prevalence of diseases related to biomass smoke, these health benefits could be roughly estimated. Since the IAP levels in Nicaragua were lower than those in other developing countries where epidemiological studies of biomass smoke have been conducted, extrapolations of health risks may require careful consideration of the assumptions involved. Since the health benefits will be multiplied by the amount of time the exposure reductions are maintained, an important next step would be to evaluate whether these reductions in exposure sustained after potential stove deterioration. Repetition of the same data collection protocol is recommended within one to two years.

**Project Title:** Improving Indoor Air Quality for Poor Families: Proposal for a Controlled Experiment in Bangladesh

**Region / Country:** South Asia--Bangladesh

**Origin of Funds:** Core

**Task Manager:** Susmita Dasgupta

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: This project is conducting a controlled experiment of a "clean household" program and its implications on the quality of indoor air in Bangladesh. The experimentation is confined to structural arrangements (building materials, cooking locations, window/ door configurations etc.) and fuels (kerosene, firewood/twigs/leaves, agricultural residues, cowdung) that are already common among poor households in Bangladesh.

The controlled experiment started from the first half of calendar year 2005 in Bangladesh. It was co-financed by funding received from DEC RSB.

1. After the monsoon actual experiment is ongoing for combustion that simulates common cooking arrangements (e.g. inside houses, in detached cooking structures, in the open air) using the most common local biomass fuels (kerosene, firewood/twigs/leaves, agricultural residues, cowdung.) Controlled experiment after the monsoon is ongoing in mostly detached and open kitchens using the most common biomass fuels (kerosene, firewood/twigs ...). See power point files for actual schedule of the experiment.
2. One chapter has been written on Indoor Air Pollution and Rural Energy Use for ESMAP, Energy Strategy for Bangladesh. See attached Word document.
3. Dissemination of this work has been carried out in the preliminary session of the South Asian Network for Development and Environmental Economics (SANDEE) conference held in Sri Lanka during December 14 - 17, 2005.

The World Bank Research Support Budget has funded the activity in the first phase, prior to June 30, 2005

Actual Disbursement (out of ESMAP funding):

July - December 2005:

National Consultants:	\$ 4,387
International Consultants:	\$ 2,327
Filter Papers and Laboratory Analysis	\$12,025
Dissemination and Supervision	\$ 7,530

Disbursement Project - January 2006 - June 2006:

National Consultants:	\$7,246
International Consultants:	\$2,685
Report Writing:	\$3,400
24 hour Air Monitoring:	\$10,000

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$49,600	\$49,600	\$22,706	\$14,244	\$23,494	\$26,106
<b>World Bank (BB)</b>	\$98,900	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$148,500	\$49,600	\$22,706	\$14,244	\$23,494	\$26,106



**Project Title:** Commercialization of Improved Stoves

**Region / Country:** South Asia--India

**Origin of Funds:** Netherlands; Core

**Task Manager:** Douglas French Barnes

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Significant progress has been made in the India Improved Stoves Project. All case studies have now been prepared. The draft introduction and draft conclusion have been completed. The next steps are for Priti Kumar to review the outputs and edit the report as necessary. After that she will send the report to the task manager for final revisions. The publications process should begin in Spring 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$45,000	\$45,000	\$3,825	\$2,057	\$24,672	\$20,328
<b>World Bank (BB)</b>	\$5,000	\$2,364	\$0	\$0	\$2,364	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$47,364	\$3,825	\$2,057	\$27,036	\$20,328

**Project Title:**        **Developing a Sectoral Energy Poverty Index**

**Region / Country:**   **Global**

**Origin of Funds:**    **Core**

**Task Manager:**       **Arun P. Sanghvi**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$7,537	\$42,463
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$50,000	\$0	\$0	\$7,537	\$42,463

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**Project Title: Guidelines for Designing Energy Modules in Multi-Topic Household Surveys**

**Region / Country: Global**

**Origin of Funds: Core**

**Task Manager: Kyran O'Sullivan**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec : The Guidelines i.e. Energy Modules for Multi-topic Household Surveys: Guidelines for LSMS Survey Designers were finalized in November 2005, and reviewed and cleared by the Energy and Mining Sector Board of the World Bank. The publication is currently in publication process.

Multi topic household surveys and especially LSMS surveys can potentially provide data on household energy use that can inform the design of energy policy. By combining data on household energy use with other socioeconomic variables of households available from an LSMS the role of energy in monetary and non-monetary measures of household welfare can be investigated. For example the following can be investigated using LSMS and similar LSMS type multi-topic surveys: energy prices and household energy expenditure; fuel wood, indoor air pollution and acute respiratory disease; lighting service, school attendance and educational attainment.

Many LSMS studies have very few energy questions and often they are poorly formulated making interpretation of the data difficult. In order to redress this situation, experience in the design and analysis of specialized energy surveys and of the few LSMS surveys containing extensive energy questions has been drawn on to prepare these Guidelines.

A goal of Guidelines is to promote use of the modules in forthcoming LSMS surveys and to monitor which questions work best in different country contexts. It is anticipated that countries preparing LSMS surveys will be able to make use of these guidelines and may seek assistance of the World Bank in evaluating alternative energy module designs. ESMAP in cooperation with the LSMS group in DECRG will be receptive to requests for assistance from countries who wish to experiment with more extensive energy modules in LSMS surveys. World Bank staff is encouraged to bring the Guidelines to the notice of counterparts interested in including more extensive energy modules in LSMS surveys.

The guidelines were prepared by Kyran O'Sullivan and Doug Barnes. They have been reviewed by Kinnon Scott, Senior Economist in the Living Standard Measurement Study survey group of DECRG.

It is also planned to publish the Guidelines in the World Bank Research Observer (under the aegis of DECRG as part of an anthology of recent papers on LSMS issues).

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$275,000	\$125,000	\$0	\$3,324	\$140,259	-\$15,259
<b>World Bank (BB)</b>	\$30,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$305,000	\$125,000	\$0	\$3,324	\$140,259	-\$15,259

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**Project Title:** Meeting the Energy Needs of the Urban Poor: the case of electrification (Peri-Urban Electrification Workshop)

**Region / Country:** Global

**Origin of Funds:** Netherlands

**Task Manager:** Dominique M. Lallement

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The Peri-urban Electrification Workshop co-organized by ESMAP, USAID, City Alliances, Coelba, IDB and EDF took place in Salvador do Bahia from September 12-14,2005. Participants included representatives from utilities, governments, regulators, and NGOs from 8 cities from Asia, Latin America, Europe, Central Asia, and Africa (see attached list of participants). The workshop had very high quality presentations and follow-up discussions. Altogether, the workshops objectives were met, both in terms of knowledge sharing and creating the embryo of a multi-stakeholder network of practitioners working on the delivery of energy services in poor urban and peri-urban areas.

Objective of the Workshop. The objective of the workshop was two fold: to share experience on innovative solutions to provide electricity services to start building up a body of knowledge to be disseminated and used to a wide body of practitioners involved with the provision of energy services in poor peri-urban and urban areas.

The Workshop was part of the implementation of the ESMAP 2005-2007 Business Plan, and also aimed to support the World Bank's Access Scale-up Initiative. The idea of the workshop came out of multiple requests to ESMAP from various private electricity distribution utilities in the summer of 2004 to learn from other utilities of their experience in working with poor customers, as they saw themselves with major responsibilities to provide services in a technically, financially, and sociologically difficult environment for which they lacked knowledge and tools. As a result of networking with agencies and companies working in this area, ESMAP sought out Cities Alliance, USAID and EdF to co-sponsor the workshop; IDB and COELBA joined after the very successful side-event on peri-urban electrification held during Energy Week 2005.

Scope and Agenda. The focus of the workshop was on electricity services, although it was recognized that electricity services only meet some of the basic energy needs of the poor, and in particular, impact marginally need for cooking fuels. The workshop was based on the experiences from 8 countries for which significant documentation more readily available : Argentina (Buenos Aires), Brazil (Rio, Salvador), the Dominican republic (Santo Domingo), Venezuela (Caracas), the Philippines (Manila), India (New Delhi, Ahmedabad), Morocco (Casablanca), Malawi, South Africa (Cape Town), and Vietnam. The workshop included four main modules:

1. Institutional Issues: Sector Policy and Regulatory Issues, role of local governments, institutional/contractual arrangements with (publicly or privately owned) utilities, role by NGOs, CBOs, and others, performance monitoring.
2. Socio-economic Issues: structure of demand for energy services and fuels by different types of consumers (households, SMEs, communal services), income distribution, structure of expenditures on energy services and fuels, cultural and gender issues;
3. Technical Issues: including technical standards, costs, and level of service, performance monitoring.
4. Financial Issues: for both consumers and service providers, and for both capital and service expenditures (self financing, tax incentives, subsidies, credit facilities, risk mitigation instruments, etc.).

In addition, the workshop included a field visit in one of the slums where Coelba has been developing an energy efficiency program which has enabled the company to help customers be re-legalized, pay their debts, and at the same time extend service to new customers from energy savings.

### Main Messages from the workshop.

The main messages from the workshop included:

The enormous long term social, economic and financial costs of excluding part of the population from access to energy, on account of their poverty, marginalization, and the informality of the settlements. The root cause of the contemporary difficulty in providing electricity and other infrastructure services through public or private utilities is decades of such social exclusion, poverty and marginalization which have led to total distrust between formal structures and customers, and the rise of illegal and costly, electricity distribution systems, often managed by private illegal entrepreneurs.

The poor pay an extremely high price for electricity illegally sold to them by illegal private operators, or in terms of risks (fires, electrocutions, evictions) for individual illegal connections.

Encouragingly, several privately owned utilities recognize that providing electricity services to poor customers is a value proposition, that it is feasible, and can yield returns to shareholders as the cost to the utilities of illegal connections is higher than providing the service, as long as customers can be legalized and made into reliable customers. Several utilities are now making progress with service provision in South Africa, Brazil, Morocco, Venezuela, Argentina, Colombia and India.

The public-private partnership model is inadequate to work in slum areas. The model that emerged is public-private-community partnership that includes close cooperation between the utility and community based organizations (CBOs or NGOs), and the local governments in particular. CBOs and NGOs were considered by the utilities represented in the workshop as indispensable to access the customers, to understand the structure of their demand for energy as well as their ability to pay, and to educate customers to service that the utility can provide as well as the efficient use of the electricity itself in order to minimize their expenditures to affordable levels. Some utilities have also experimented legalizing the illegal distributors into 'micro-enterprises' to whom they can contract some of the distribution activities. The role of the community as the guardian of equity and transparency is critical.

Strong support of local governments to the utility is indispensable in particular with respect to a) land tenure; b) the provision of other infrastructure; and c) possibly financial support. Many municipalities do not have a clear policy on slum development, which goes beyond slum electrification, as they have not opted for slum upgrading, i.e. permanent settlement, versus resettlement. A global social program that combines engineering and sociological solutions is required to meet all basic infrastructure needs; water and sanitation utilities often face constraints similar to those of the electricity u

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$125,000	\$125,000	\$20,500	\$20,741	\$67,887	\$57,113
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$125,000	\$125,000	\$20,500	\$20,741	\$67,887	\$57,113

**Project Title:** Design and Pilot Testing of Capacity Building Product line for SME Utility Service Providers in West Africa

**Region / Country:** Africa Region

**Origin of Funds:** France: Core

**Task Manager:** Amarquaye Armar

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Final (Technical) report is under preparation and should be available by end of February 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$160,043	\$18,105	\$0	\$127,269	\$32,774
<b>World Bank (BB)</b>	\$60,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$40,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$250,000	\$160,043	\$18,105	\$0	\$127,269	\$32,774

**Project Title:** Expanding SME Outsourcing Opportunities from Utility Sector Reform - A Survey of Eastern and Southern Africa

**Region / Country:** Africa Region

**Origin of Funds:** Core

**Task Manager:** Amarquaye Armar

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The activity determined that SMEs that have been undertaking outsourced activities for the power utilities in the five survey countries (Kenya, Tanzania, Uganda, Zambia and Zimbabwe) are generally highly specialized and therefore often able to offer good services at competitive cost. In addition, almost all of them were either founded or managed by former utility employees. As a result, the requisite technical skills are available in the SMEs. The above notwithstanding, the surveys have re-focused attention on SME requirements to “expand the outsourcing envelope”, especially financial (principally to acquire equipment, and in some cases, appropriate facilities) and technical support (challenges they face include tender preparation and bidding requirements, management training). IFC has launched a follow –up initiative (PEP Africa) which aims to assist some of the SMEs (previously identified in the ESMAP sponsored survey) and also facilitate the entry of new SME’s into a broader range of outsourced utility operations. IFC’s pilot countries include Uganda. The final report has also been submitted to ESMAP management team for publication.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$45,000	\$45,000	\$0	\$0	\$40,409	\$4,591
<b>World Bank (BB)</b>	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$55,000	\$45,000	\$0	\$0	\$40,409	\$4,591



**Project Title: Decentralized Energy Services**

**Region / Country: Africa--Cameroon**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$300	\$15,071	\$35,592	\$114,408
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$150,000	\$150,000	\$300	\$15,071	\$35,592	\$114,408

**Project Title: Decentralized Energy Services**

**Region / Country: Africa--Kenya**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$23,700	-\$1,759	\$8,291	\$141,709
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$150,000	\$150,000	\$23,700	-\$1,759	\$8,291	\$141,709

**Project Title: Decentralized Energy Services**

**Region / Country: Africa--Zambia**

**Origin of Funds: NA**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**Project Title: ESMAP: Decentralized Energy Services for IDA Countries - Cambodia**

**Region / Country: East Asia and Pacific--Cambodia**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$200,000	\$200,000	\$23,300	\$25,315	\$69,561	\$130,439
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$200,000	\$200,000	\$23,300	\$25,315	\$69,561	\$130,439

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**Project Title: Financing for Small Scale Power Supply and Decentralized Systems**

**Region / Country: East Asia and Pacific--Cambodia**

**Origin of Funds: Netherlands**

**Task Manager: Antonie De Wilde**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Past progress reported that this activity facilitated the preparation of a presentation and workshop publication on key elements in successful small scale energy service deliver projects. The presentations were aimed at Bankers considering developing financial services for small and medium scale energy service providers. They described the various risks associated with the energy business, and the various methods to mitigate those risks from a Bank point of view. In particular the role of power purchase agreements in obtaining bank finance was analyzed.

The material produced was also use in a joint IFC/World bank workshop for Bankers in Mongolia on October 5. This project was a joint initiative between the Sustainable Financial Markets Facility (SFMF) and the East Asia Energy Sector Unit. ([www.worldbank.org/easeg](http://www.worldbank.org/easeg)). The workshop was held at the Khaan Palace Hotel in Ulaanbaatar and attracted 50 participants. This one day event focused on the financial services offering for sustainable energy projects and emphasized strategy and techniques for achieving profitability in this area. At the end of the workshop, participants, mostly bankers from both private and public banks had a lively discussion with the his Excellency N. Enebish, Ministry of Fuel and Energy, focusing on the need for changes in policies and regulations to facilitate in particularly private sector financing in the energy sector in Mongolia.

These points were consequently carried forward by the minister himself and became subject of discussion in the Mongolia Renewable Energy Stakeholder meeting organized by the Government of Mongolia and the World Bank, which was opened by the Prime Minister his Excellency Tsakhi ELBEGDORJ. At the policy level, the results of the workshop have resulted in strengthening of an IDA credit in support of the energy sector in Mongolia, in particularly to open the sector for more private sector participation. At the practical level, two banks have now requested technical assistance from the World Bank Group to develop a sustainable energy portfolio.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$25,000	\$25,000	\$0	\$0	\$23,015	\$1,985
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$25,000	\$25,000	\$0	\$0	\$23,015	\$1,985

**Project Title: ESMAP: Decentralized Energy Services for IDA Countries - Laos**

**Region / Country: East Asia and Pacific--Laos**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$0	\$50,000
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$50,000	\$0	\$0	\$0	\$50,000

**Project Title: Designing Strategies and Instruments to address Power Projects Stress Situations**

**Region / Country: Global**

**Origin of Funds: Core**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Over the past six months, the following progress was achieved:

- The Phase I project report on the Diagnostic and Statistical Analysis of power projects under stress was completed and published as an ESMAP paper. It has also been posted on the ESMAP website. The report provided an analysis of the geographical distribution of power projects under stress, an analysis and identification of the causes of stress with their probability of occurrence depending upon the types and characteristics of the projects, and an analysis of the consequences of stress on project performance.

- The first draft of the Phase II report on workout instruments and strategies has been delivered and is under review.

Impact

The Phase I report and initial findings of the work undertaken under Phase II provided the material for a Knowledge Event (BBL) which took place on November 17, 2005. The event was attended by about 25 persons. It should be noted that the attendance from people from outside the Bank was high for a BBL (7 persons from outside the Bank, including specialized consultants and project developers with a special interest in the workout issues), confirming the interest of the subject to the private sector. Two PowerPoint presentations were presented, one on the Diagnostic and Statistical analysis and The Phase I report has been used to provide detailed comments on, and input in, the Bank Guidance Note under preparation for private project renegotiation.

The Phase I report has been quoted in one published research paper by Stanford University and in one Bank paper (Draft guidance note for private projects renegotiation).

Next steps

The next steps are

- the consultation of practitioners on the proposed instruments described in Phase II report (March 2006)
- the completion and publication of the Phase II report on workout instruments and strategies (May 2006)
- the identification with the Regions of one or more power projects under stress where the instruments developed under the project could be applied (June 2006) and one on the preliminary conclusions of Phase II.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$78,000	\$78,000	\$2,481	\$9,513	\$38,647	\$39,353
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$75,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$153,000	\$78,000	\$2,481	\$9,513	\$38,647	\$39,353



**Project Title: ESMAP: Decentralized Energy Services for IDA Countries - Global**

**Region / Country: Global**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$23,085	\$33,585	\$56,887	\$93,113
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$150,000	\$150,000	\$23,085	\$33,585	\$56,887	\$93,113

**Project Title:** Roundtable of Power Investors for Working Group 3: Governance Standards/Code of Conduct/Performance Benchmarks for Electric Power PPPs

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** Amarquaye Armar

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: ESMAP sponsored tasks include the preparation of (i) a comprehensive survey/documentation of "Power Sector Governance Frameworks" for Latin American Countries. The case studies have been very useful informing Bank policy dialogue on country-specific power sector reforms, especially in the Middle East (Iran, Egypt, Turkey and Tunisia). A second set of case studies, covering the legal and regulatory framework for private sector development of hydropower facilities in Latin America, have provided a useful reference point for formulation of country-specific strategies to promote private sector participation in hydropower development by the authorities in Pakistan and Macedonia (under PPIAF sponsored activities).

Draft of Final Report - Working Group 3 is attached. Also attached are the case studies prepared by Working Group 3. This activity is completed and no other tasks are outstanding as of September 2005

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$80,000	\$80,000	\$1,400	\$0	\$36,808	\$43,192
<b>World Bank (BB)</b>	\$40,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$120,000	\$80,000	\$1,400	\$0	\$36,808	\$43,192

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**Project Title:** Options to Revitalize Investment and Private Participation in Power Distribution in the Latin American and Caribbean Region

**Region / Country:** Latin America and Caribbean Region

**Origin of Funds:** Core

**Task Manager:** Lucio Monari

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: OUTCOME and IMPACT. The analysis provided so far requires much more detailed specific country studies that will define and propose an analytical framework for the identification of risks and risk mitigation mechanisms involved in the distribution business. The analysis will analyze the allocation of risks between different stakeholders (i.e. consumers, government, generation and distribution companies, the tax payer in general) and will include such risks as bill collection, service expansion commitments, supply obligations and demand growth, capital and operating cost assumptions, macroeconomic variables (i.e. inflation, foreign exchange risk), regulatory risks and political risks (including subsidy and tariff regime). The purpose is to provide for the proposed countries (see below) a risk allocation matrix by analyzing market structures, legislative and regulatory frameworks and different types of concession agreements and/or contractual arrangements for private provision of electricity distribution services.

Specific case studies within the proposed countries are aimed at looking at risk mitigation examples and financing mechanisms adopted by private investors. Such case studies will allow to analyze different experiences of public-private partnerships and propose a way forward based on the lessons learned, that will allow to propose mechanisms and structures that make more likely the investment required over the next decade in the regional distribution sector. The criteria for proposing and selecting four specific countries for more detailed analysis are based on the following criteria: (i) current status with the electricity sector reform and market structure; (ii) degree of private sector investment; (iii) investment needs and network coverage; and (iv) reform sustainability and extent of some of the identified barriers (i.e. macroeconomic, legal, regulatory, political). The proposed countries below provide a wide range in terms of their abilities and impediments to attract foreign investments, are diverse in size and investment needs, and have a likely approach to pursue an additional path of reform to revitalize private investment in the distribution sector.

The four countries proposed for detailed country analysis are as follows: (i) Argentina; (ii) Brazil; (iii) Colombia; and (iv) El Salvador. Argentina provides for an example of substantial private investment in the distribution sector with a widespread problem of trust and negative past experience. The country example provides for a rich basis of experience and lessons learned from past failures and future requirements. Brazil provides an example with such a substantial need for future investment, that it imposes a challenge given its pure size. It is also an example of regulatory and market reform failures and repeated trial and errors. Colombia is an example that provides a different approach with profound reform and substantial private investment in the generation sector, but very little reform and private investment in the distribution sector. Moreover, it represents a case of repeated failures in attracting private investment to some of its public regional utilities. El Salvador will provide the example of a small country with large investment needs, but certainly more difficulties to attract private investment despite its investment grade rating.

Together the four proposed countries are representative of a) different stages in the reform process; b) differences in investment needs and size of future requirements; c) past experiences and contractual arrangements; d) extent and pervasiveness of some of the barriers analyzed but e) are likely to pursue paths that will be looking at attracting and promoting private investment into their distribution sectors.

**PUBLICATION**

The final report is in publication process. The report was completed in April. Activity was useful to focus on major problems of private sector distribution, and define the investment requirements for the next ten to fifteen years in LAC in the electricity sector including those necessary to achieve full electrification.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$20,000	\$20,000	\$0	\$0	\$16,241	\$3,759
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$20,000	\$20,000	\$0	\$0	\$16,241	\$3,759

**Project Title: ESMAP: Decentralized Energy Services for IDA Countries - Bangladesh**

**Region / Country: South Asia--Bangladesh**

**Origin of Funds: United Kingdom**

**Task Manager: M. Ananda Covindassamy**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$250,000	\$250,000	\$23,300	\$7,031	\$51,028	\$198,972
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$250,000	\$250,000	\$23,300	\$7,031	\$51,028	\$198,972

**Project Title:** Development of a Regional Power Market in West Africa

**Region / Country:** Africa Region

**Origin of Funds:** France

**Task Manager:** Amarquaye Armar

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$94,244	\$94,244	\$0	\$0	\$94,244	\$0
<b>World Bank (BB)</b>	\$5,435	\$5,435	\$0	\$0	\$5,435	\$0
<b>Non-ESMAP Trust Funds</b>	\$20,000	\$20,000	\$0	\$0	\$20,000	\$0
<b>Total</b>	\$119,679	\$119,679	\$0	\$0	\$119,679	\$0

**Project Title:** Roundtable with Africa Energy Ministers

**Region / Country:** Africa Region

**Origin of Funds:** France; Sweden

**Task Manager:** Dominique M. Lallement

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Background. The Forum of Energy Ministers of Africa emanates from an initiative taken by the Minister of Energy and Minerals Development of Uganda who convened about ten of her colleagues at a meeting in Washington on March 10, 2005. The Bank provided the logistical support for the meeting, and some of the costs were financed as part of the ESMAP's program capacity development objectives. The objective was to establish an informal forum which could be used to:

- . define a coordinated position on certain issues before bringing them to international fora;
- . share experience and knowledge;
- . develop a common approach for discussions with development partners;
- . raise the profile of energy on the development agenda, in particular in relation to the Millennium Development Goals, and
- . facilitate the mobilization of financing resources for national and regional energy projects.

Overall, FEMA is off to a good start. The Ministers Meeting of August 3rd, 2005 was attended by 17 African energy ministers or senior officials. Key absentees were the main oil and gas producing countries (Nigeria, Angola, Algeria, and Libya).

All the Ministers who participated are very much on the same page with respect to the need for scaling-up energy services in order to achieve the Millennium Development Goals. That message which has been developed by a wide array of energy development partners, both in the year prior to WSSD and since, has now become so widely accepted that it is reflected in a whole range of official position papers. For example, the UN-Energy Paper is therefore attuned to what the energy ministers of Africa are also advocating.

As the AU-AFREC was ratified just before the FEMA meeting, there was discussion on the relative merits of having both AFREC and FEMA, since it is the same ministers that would participate in both. It was agreed that the merit of FEMA is that it is informal and that its advocacy and analytical work can in fact help inform AFREC and make it more effective. Since AFREC has not started functioning, they can always reassess the situation in the future.

The Ministers opted for a low-cost coordination unit.

FEMA's objective is akin to those of AMCOW in the water sector which was started about two years ago. Best efforts were made to capitalize on the experience in setting-up AMCOW and getting it started, in particular in terms of the institutional set-up and supporting texts (see below).

Following the March meeting in Washington, a Technical Meeting was called by Uganda in early June 2005, in which I participated on behalf of ESMAP and the World Bank. Fifteen countries participated in the meeting. Participants included Senior Advisers to the Ministers, Director Generals from the Ministries of energy and technical staff --- with a good understanding of national and regional issues. Other donors who participated in the June meeting included Denmark (Danida has actively supported AMCOW), UNDP, and GTZ who also represented EUEI. The main achievements were:

- . discussion of a draft Memorandum of Understanding
- . discussion of draft Rules and Procedures
- . preparation of a draft workprogram.
- . agreement that the first advocacy opportunity for FEMA would be the G8 Meeting in July. The representatives of the ED's office offered to work on the draft statement for FEMA.
- . agreement to hold a Ministerial meeting in August.
- . agreement that ESMAP would finance consultants to support the Technical Secretariat workprogram, on terms of reference that they would prepare.

**August 1-4th Meetings**

Technical Meeting August 1-2: well attended, with higher level of representation than in June. Meeting opened by Uganda Permanent Secretary of Ministry of Energy. Further progress made during the Technical Meeting on:

- . Draft Memorandum of Understanding
- . Draft Workprogram
- . Draft Statement for UN-2005 World Summit, at which there is to be a discussion of the MDG + 5, in September 2005.

**Ministerial Meeting August 3:**

The meeting was opened by Uganda's Prime Minister. He highlighted that in view of the increase in oil prices and the scare foreign exchange resources in most African countries, they should diversify their resource base, in particular their hydropower potential, their geothermal resources, etc. He stressed the need to increase access to modern energy, to adopt cleaner fuels (citing that only 20 countries have adopted unleaded gasoline, and mentioning that Uganda will by end 2005), and that energy is a prerequisite to achieving the MDGs. He also underscored the need to create transparent legal and regulatory frameworks, to keep monopolies to a minimum, and focus on training on science and technology, to harmonize fiscal and regulatory measures, to control atomic/nuclear substances in order to avoid terrorism, and to take advantage of regional opportunities to rationalize investments, create economies of scale and attract investors. He encouraged the creation of FEMA to help advocacy on Africa energy needs in international fora.

Dr. Ogunlade, consultant financed by ESMAP, made a presentation on the Energy Context and Policy Challenges in Africa, and John Besant Jones, ESMAP consultant, on the UN Energy Paper; both were very well received. The discussion of the UN Energy Paper led to questions on risk mitigation instruments, as well as to comments by the Minister of Cameroon, underlining the positive role that the World Bank has played in several countries in helping create incentives to attract the private sector.

Most of the day was spent discussing the Draft Memorandum of Understanding. The Ministers agreed that the MOU would become effective once it had been signed by ten countries.

The planned signing of the MOU did not happen because some representatives wanted to check the draft with their own governments. Instead, the attending ministers agreed to sign a Declaration at this meeting.

The Ministers opted for a light institutional set up. They all stressed the need for a light and low cost Coordination Unit (instead of a Technical Secretariat), and a small Steering Committee.

They agreed to a draft workprogram for FEMA's first two years, as well as the Draft FEMA Statement for the MDG+ 5 meeting in September (attached), and nominated the Minister of Uganda to represent them in September.

The achievements of the day are summarized in the concluding statement and Declaration which the Ministers signed (available in files).

Technical Assistance from ESMAP included: Technical Meeting; Ministerial Meeting; Follow-up Meeting (August 4) with Coordination Unit; Next steps

- . the recruitment of the ESMAP financed consultant for the Coordinating Unit is to be finalized in January 2006 (17 applications received); delay resulted from uncertainty of the request from Uganda, then setting up advertising, recruitment procedures, and short-listing committee.
- . publish the final paper by Dr. Davidson. Final clearance still awaited from Uganda.
- . DANIDA is finalizing its contribution for the preparation of a paper on Clean Energy for Africa to be available for the CSD meeting in May 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$228,528	\$228,528	\$28,445	\$44,340	\$103,858	\$124,670
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$228,528	\$228,528	\$28,445	\$44,340	\$103,858	\$124,670



**Project Title: Greater Mekong Sub-region Power Trade Strategy Meeting**

**Region / Country: East Asia and Pacific Region**

**Origin of Funds: Core**

**Task Manager: Mohinder P. Gulati**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Project activities and output to date. There were no activities performed during the period. Nothing further to report after January 2004 update submitted by the previous TTL.

Outcome and Impact: The ESMAP Market Structure Options Study has been completed; draft report was presented at the RPTCC meeting in November 2003. Consensus was achieved among the participant countries to establish a regional electricity market and finally an Inter Governmental Agreement signed in 2002 was ratified by the Parliaments of the countries (last one was by Cambodia in 2005). ADB funded Regional Power Trade Operating Agreement has since been finalized and together with ESMAP TA has led to formation of working groups, the first meeting of the Focal group to coordinate implementation of GMS activities in each of the countries was held in January 2006 setting a basis for accelerating implementation - one of the key objectives of the ESMAP project. ADB has prepared a TA framework and AfD has committed funding for implementation of those activities- one of the expected outcomes of the ESMAP TA.

Disbursement projections: The TA has been fully disbursed.

Update on expected date of project completion and draft report. The project has been completed. Hiring of consultants: No consultants were hired during the reporting period.

Publications/Knowledge dissemination activities. The draft report was presented in November 2003, and final report has been disseminated to the participant countries.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$49,993	\$49,993	\$0	\$0	\$49,993	\$0
<b>World Bank (BB)</b>		-\$5,000	\$0	\$0	-\$5,000	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$44,993	\$0	\$0	\$44,993	\$0

**Project Title:** TA for Establishing a Water-Energy Consortium in Central Asia

**Region / Country:** Europe and Central Asia Region

**Origin of Funds:** Netherlands

**Task Manager:** Nikolay Nikolov

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The implementation of the current task has not progressed since this critically depends on the four Central Asian Countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) adopting first a draft Framework Agreement on International Water-Energy Consortium. ESMAP funds could then ensure TA for implementing this Agreement and any further relevant activities. A draft of the Framework Agreement was discussed in February 2005 by the special working group of the Central Asia Cooperation Organization (CACO), which included the above four CA countries. However, further discussion on the draft Agreement have been constrained by constantly changing dynamics in the region, such as a forceful change of Government in Kyrgyzstan, and a decision of the CACO countries to consider the establishment of a Water Energy Consortium only within the establishment of a CA Common Central Asian market, which is a nascent concept with a very long term prospects of materialization. The recent dissolution of the CACO, which provided the venue for discussing the establishment of the Consortium, and the subsequent transfer of the CACO functions to the Eurasia Economic Community towards the end of 2005 constituted the latest hindrance to furthering the Consortium discussions.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
ESMAP Trust Funds	\$55,000	\$55,000	\$27,460	\$0	\$6,040	\$48,960
World Bank (BB)	\$8,278	\$0	\$0	\$0	\$0	\$0
Non-ESMAP Trust Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$63,278</b>	<b>\$55,000</b>	<b>\$27,460</b>	<b>\$0</b>	<b>\$6,040</b>	<b>\$48,960</b>

**Project Title: Regional Energy Trade**

**Region / Country: Global**

**Origin of Funds: Core**

**Task Manager: Vladislav Vucetic**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: What are the project activities and outputs to date towards the ACHIEVEMENTS OF its OBJECTIVES. In February 2005, ESMAP approved a grant in the amount of \$50,000 to help finance a regional workshop on energy trade for the ECO countries and related activities, as part of the Bank's effort to help stimulate growth in regional energy trade. The workshop was held on June 29-30 in Tehran (Iran), in organization of ECO Secretariat. All of ECO member countries attended the workshop, except Azerbaijan and Turkmenistan, as well as several international financing organizations: Asian Development Bank (ADB), Islamic Development Bank (IsDB), UN ESCAP, and World Bank.

The workshop recommended that further activities should proceed on two parallel tracks: undertake multilateral analytical work and pre-feasibility studies of power trade options that would include the whole region; and promote specific transactions that can be readily undertaken and implemented through subgroups of interested countries. This work would coalesce around exports of existing surpluses from Central Asia to Afghanistan, Pakistan and Iran and include consideration of new hydro plants in Tajikistan (Sangtuda I&II, Rogun).

There was also agreement that countries would benefit from adopting a policy of open access to transmission network, and that ECO should establish a database of regional power systems.

2. What is the OUTCOME AND IMPACT of this work to date, including progress towards achievement of the proposed outcomes? This is the most important section of your progress report - what progress has been made towards achieving the proposed outcomes (policy changes implemented, government officials capacity built, investment programs prepared, systems installed and used, experiences from other countries learned and applied). Please try to be specific and tell the story of why this project has a good chance to be successful. Donors are paying increasing attention to this section.

The workshop clearly established that strengthening energy cooperation and increasing energy trade in the ECO region is a high priority objective and called the international community to assist these efforts. As result of the workshop:

ECO Secretariat accelerated activities on undertaking a study on regional electricity interconnections, financed by the IsDB. Although the financing had been approved several years earlier, the study was not initiated until after the workshop and is now in progress.

The Governments of Pakistan, Afghanistan, and Tajikistan agreed to hold a meeting with private investors and selected IFIs (ADB, EBRD, IFC, IsDB, and WB) to discuss specific investment proposals for electricity exports from Tajikistan to Afghanistan and Pakistan (the meeting is planned for February 2006). The meeting will also discuss options for developing a multilateral treaty for conducting electricity trade between the concerned countries.

ESMAP has approved funding for undertaking additional analytical work on regional energy trade which is to commence shortly, in response to the workshop recommendations.

It is expected that ECO countries will establish a Working Group for energy trade as a forum for discussing and advancing regional energy trade agenda, and that the next ECO member meeting on energy trade will take place mid-2006.

3. **DISBURSEMENT PROJECTIONS.** Please indicate projections for each half-year until the end of the project (please note that we will be updating the disbursement information for the project up to end December from SAP in January but we need your projections). Pratiime to provide disbursement figures] It is expected that the funds will be disbursed by end of October 2006.

4. **UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT.** If there are delays, please report problems encountered and the causes for delays and changes in project design. Activities under this ESMAP grant will be completed by end-October 2006, and the completion report will be completed by end-November 2006.

5. **HIRING OF CONSULTANTS.** What are the consultancies launched during the reporting period? None. The funds disbursed so far were spent on financing the workshop.

6. **PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES:** Update on the preparation of any reports and/or plans for brown bag lunches, presentations, workshops, seminars or courses pertaining to your ESMAP activity. The very activity which the grant financed included a workshop on regional energy trade, which served both as an advocacy and knowledge sharing forum for discussions and formal presentations.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$6,000	\$10,452	\$43,184	\$6,816
<b>World Bank (BB)</b>	\$200,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$250,000	\$50,000	\$6,000	\$10,452	\$43,184	\$6,816

**Project Title: Southern Cone Gas Integration**

**Region / Country: Latin America and Caribbean Region**

**Origin of Funds: Core**

**Task Manager: Eleodoro O. Mayorga Alba**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: These "seed funds" have allowed Bank staff to contribute to the negotiation of a framework agreement for the integration of gas markets and for preparing terms of reference to recruit a consultant firm that will assist in the preparation of a strategic study covering technical, environmental and economic issues. (see attached). Project objectives remain the same and the study will be launched early in 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$170,380	\$15,046	\$30,052	\$19,948
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$50,000	\$170,380	\$15,046	\$30,052	\$19,948

**Project Title:** AFTEG Rural and Renewable Energy

**Region / Country:** Africa Region

**Origin of Funds:** Sweden;

**Task Manager:** Arun P. Sanghvi

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$1,073,832	\$1,073,832	\$150,585	\$58,837	\$809,103	\$264,729
<b>World Bank (BB)</b>	\$1,500,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$500,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$3,073,832	\$1,073,832	\$150,585	\$58,837	\$809,103	\$264,729

**Project Title:** Cambodia - Renewable Energy Action Plan

**Region / Country:** East Asia and Pacific--Cambodia

**Origin of Funds:** Sweden: Denmark

**Task Manager:** Rebecca C. Sekse

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$308,000	\$308,000	\$0	\$0	\$247,051	\$60,949
<b>World Bank (BB)</b>	\$170,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$478,000	\$308,000	\$0	\$0	\$247,051	\$60,949

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**Project Title:** Scoping Study for Voluntary Green Electricity Schemes in Beijing and Shanghai

**Region / Country:** East Asia and Pacific--China

**Origin of Funds:** Core

**Task Manager:** Nouredine Berrah

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**Summary of Current Project Status, Issues and Actions:**



**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$2,156	\$719	\$47,724	\$2,276
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$180,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$230,000	\$50,000	\$2,156	\$719	\$47,724	\$2,276

**Project Title:** Green Energy IPP (GRIPP)

**Region / Country:** East Asia and Pacific--Philippines

**Origin of Funds:** Netherlands

**Task Manager:** Sandeep Kohli

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Under the ESMAP funded Green IPP project, IIEC was obligated to submit to the IFC a draft report on the energy resources and development potential of Negros Island, Philippines in order to receive the second disbursement under the ESMAP grant award. Subsequent disbursements require additional report on the business plan and recommendations for an integrated multi-resource Green IPP on the Island. These have still to be done, since work on the project is continuing.

IIEC submitted the first report on energy resources and development potential of Negros Island, Philippines on October 2, 2005. This report begins with an introduction on the island itself, its natural environmental and its current social and economic conditions. The report takes a survey of the current power and energy resources available to Negros, and looks at the institutional mechanisms currently in place in Negros to support the power industry, including the Energy Power Industry Reform Act, which calls for unbundling the sector and creating an environment conducive to competition. Finally, the report provides the results of the review of renewable energy sources available on the island, including biomass, wind energy, hydropower, solar photovoltaic and conservation and demand side management.

The proposed study under the ESMAP grant was to evaluate the opportunities that existed for a hybrid renewable energy system that took advantage of resource and dispatch synergies between distributed renewable energy technologies to determine if one could create a hybrid base-load "green" energy system. The purpose of the study was to see if there still exists a potential role for some market intermediation that will effectively harness the synergies between various renewable energy sources and technologies. To create a hybrid distributed generation system will require the use of a set of mechanisms that can enable several developers of renewable energy systems to compliment each other and overcome the intermittency and seasonality – the fundamental barriers in the development of large scale base-load renewable systems.

After analyzing the data on the potential demand for renewable energy development on Negros, the consultant has concluded that there still seems to be sufficient justification for developing a "green" energy system, specifically the Green IPP concept. Negros' initial commitments (currently) consist of project which, if developed soon, would be able to meet current and future demand for power on Negros. IIEC estimates that there is a potential for over 100MW of biomass cogeneration and 30MW of wind power potential, in addition to the currently proposed 94MW of geothermal on the island. If achieved, this far surpasses the current projected demands, and creates a surplus that would have export potential.

IIEC is considering two possible options to proceed with the Green IPP project. The first is to pursue a smaller Green IPP structure in one of the remote areas currently administered by the Small Power Utility Group (SPUG), a unit within the DOE responsible for power in off-grid remote areas. IIEC notes that recent legislation (the Qualified Third Party policies) allows for independent operators to assume power delivery in remote areas. The second option is to create a renewable energy market aggregator which would work in concert with the recently established Transmission Company (Transco) and the emerging Wholesale Electricity Spot Market (WESM) scheduled for implementation in 2006. Both offer chances for private sector participation to enter into the market and take advantage of potential synergies among various renewable energy resources and technologies. IIEC intends to explore further these two options in the next stage of the ESMAP funded Green IPP project.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$95,000	\$95,000	\$45,000	\$27,000	\$45,000	\$50,000
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$95,000	\$95,000	\$45,000	\$27,000	\$45,000	\$50,000

**Project Title:** Philippines - Village Power Fund and Incubator for Renewable Energy Enterprises

**Region / Country:** East Asia and Pacific--Philippines

**Origin of Funds:** Core; Netherlands; Denmark; Switzerland

**Task Manager:** Selina Wai Sheung Shum

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Goal and Objectives of the Project.

The goal of the project is to be able to develop and demonstrate a flexible and appropriate delivery mechanism for organizing and financing energy projects at the community level. Part I of the project would include: (a) assessment of the market to identify areas where community-based projects may be implemented; (b) organizing the community to build consensus on planning and execution of a project; (c) training of the community in the basics of project evaluation and development (technical, financial, economic and management skills) and (d) preparation of feasibility study for the project. Part II relates to the Village Power Fund covering activities such as (a) establishing financing guidelines, (b) project evaluation criteria, (c) preparation of the design and mechanics of the Village Power Fund; (d) setting up of a pilot revolving fund for community-based energy project. Finally, Part III will involve actual implementation (construction and operation) of at least two projects to test the business model. It is hoped that the project will begin to teach local communities the discipline of commercial credit and instill in them the use of formal financing documentation in order to move them away from the paradigm of "dole-out" to the realm of cost-recovery. In this way, this project will be able to transition community-based credit toward future commercial lending.

II. Activities Conducted by local consultant, PEI

- Monitoring of the operation of the pilot project by SMB, the local People's Organization at Barangay Bagong Bayan, Roxas, Palawan
- Conduct of procurement for the supply of spare parts and synchronous equipment needed to interconnect the hydro with diesel genset,
- Field inspection and supervision of the delivery installation and safekeeping of additional materials and equipment,
- Meeting and discussion with SMB and LGU concerning the status of the project,
- Review of the operations manual with the project operators, particularly with respect to the project accounting and financial management,
- Monitoring of issues and coordination with SIBAT and PCART concerning the hydro project, and
- Completion of draft final report

III. Status of the Project

The pilot project in Barangay Bagong Bayan, Roxas Palawan continues to provide electricity to the community. Total number of households connected has exceeded the 100 mark, registering 110 households connected in June. However, because of unstable income patterns, SMB has reported the voluntary disconnection of about 13 households.

The marketing of ice remains to be the primary concern of SMB. To enhance sales, SMB seeks for orders from fish

traders. Due to the high cost of diesel fuel, SMB has been working out ways to reduce cost by not operating the ice plant daily at 24 hours. Rather, bulk orders are solicited and the blocks of ice produced are immediately delivered to the buyers using a motorized boat that the SMB has procured for this purpose. This way, they avoid operating the ice storage for longer periods.

The new ice plant facility has been operating well and SMB has not reported any problem concerning its operation so far.

The micro-hydro plant was ready for re-commissioning in June 2005. However, because of the prolonged El Nino phenomenon, the re-commissioning was again delayed. The plant was finally tested in September 2005. The new turbine installed was able to produce as much as 15kW but the plant could not operate for 24 hours daily due to insufficient water supply. Nevertheless, the 15kW output is already sufficient for the household requirements of the Barangay.

The grave changes in the climatic condition have apparently affected the condition of the water resource in the area over the last 4 years. PEI has recommended, to SIBAT and PCART, the review of the civil works design for the micro-hydro to improve its performance. In particular, PEI has pointed out the possible under-design of the weir and the possible tapping of another water source in the same area to augment the supply of water for the micro-hydro project. On its part, PEI has installed a water gauging station to monitor the availability of the water in the area. The collection of water level information may help SIBAT and PCART to determine ways to improve power generation capability of the hydro project.

The SMB has also reported the planting of 10,000 tree seedlings as part of their watershed management program. Strict implementing of the anti-tree cutting rule in the area is being implemented.

The draft final report of the project was completed by the consultant. The report relates the project's experiences, incorporating all activities from project incubation, project implementation (construction and commissioning), training and capacity building as well as the preparation development of the Village Power Fund operating mechanisms. The report also documents the lessons learned from project experience so that the various insights coming from these experiences may provide guidance to other project developers as they undertake similar projects in the future. Certainly, the challenges of providing financing and implementing projects in remote rural village are tremendous. PEI is committed to stay with this community until project operations are smoothly running.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$371,500	\$371,500	\$6,830	\$0	\$210,629	\$160,871
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$371,500	\$371,500	\$6,830	\$0	\$210,629	\$160,871

**Project Title:**       **Grid Connected RE Policy Forum**

**Region / Country:**   **Global**

**Origin of Funds:**    **Denmark; Core**

**Task Manager:**      **Xiaodong Wang**

**Summary of Current Project Status, Issues and Actions:**

For period July-Dec 2005: 1. Project activities and outputs: organizing the grid-connected renewable energy policy forum in Mexico, to be held on Feb. 1-3, 2006. Activities include grant agreement, agenda and speakers, invitation letters, flyers, logistic arrangement, and briefing packages for Bank senior management participation, background paper, etc.

2. Outcomes and impacts: The conference promotes exchange of experience and lessons learned on RE policies, and will provide follow-up TA activities to those countries who are interested in advancing their RE policies. The final impacts would be improved RE policies and increased investment in RE.

3. Project on completion date and disbursement: the conference will be completed by Feb. 3, and proceedings should be completed by March 30. The conference costs about \$350k (with \$300k from GEF and \$50k from ESMAP). Disbursement on the conference part should be completed by April 30, 2006. Then the second part of the project is follow-up TA activities.

4. Publications: The proceedings and CDs will be completed by March 30, 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$65,000	\$65,000	\$32,145	\$8,130	\$8,130	\$56,870
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$65,000	\$65,000	\$32,145	\$8,130	\$8,130	\$56,870

**Project Title: SEFI Rountable - Renewable Energy Conference**

**Region / Country: Global**

**Origin of Funds: Denmark**

**Task Manager: Dominique M. Lallement**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: ESMAP chaired a session on Developing Country Debt at the SEFI meeting organized by UNEP and co-sponsored by the UN Foundation. The meeting was well attended, and the session on Developing Country debt was crowded. This demonstrates a keen interest amongst many energy partners to find financing solutions for clean energy and access projects in developing countries. The presentation by Michael Eckart on Global Development Bonds attracted quite a bit of questions. If the idea actually materializes, it could indeed bring substantial resources to fill the financing gap in the energy sector, but it is unclear at this stage, whether and when it will materialize. There was also a lot of interest in the E&Co model that promotes SMEs and helps leveraging financing for relatively small projects. The presentations on the IFC and OBA programs demonstrated the possibility for successful new approaches. Feedback received indicated that there was a broad appreciation that the ESMAP/World Bank was chairing a panel which brought in innovations from outside the World Bank.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$15,000	\$15,000	\$0	\$9,174	\$9,174	\$5,826
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$15,000	\$15,000	\$0	\$9,174	\$9,174	\$5,826

**Project Title: OECS Energy Sector Reform and Renewable Energy/Energy Efficiency Options**

**Region / Country: Latin America and Caribbean Region**

**Origin of Funds: Germany; Core**

**Task Manager: Charles M. Feinstein**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The OECS Large Scale Energy Options Study (the activity was re-titled to reflect the agreed refocusing of the ESMAP project) has been completed and the final report is being readied for publication.

The following projects and policies have emerged as the most attractive in terms of both reduced supply costs and long-term sustainability:

1. The OECS members St. Lucia and Dominica should participate in the Eastern Caribbean Gas Pipeline project. This project will transform energy supply in the larger markets of Martinique, Guadeloupe and Barbados, and would likely lead to significant economies in St. Lucia and Dominica, reducing electricity costs by a significant margin.
2. Developing Dominica's geothermal resources are a high priority that would benefit not only Dominica but also its neighbors through undersea power transmission cables. This project complements the Eastern Caribbean gas pipeline project because there is not enough gas transmission capacity to meet the full electricity needs of the nations beyond Barbados. To expedite its resource development and to ensure that its citizens receive the fullest benefit from the geothermal resources, Dominica needs to work through the electricity and mining sector coordination and legal issues that currently retard resource development.
3. Pooling wind and conventional resources in multi-island systems should be seen as a way for wind projects to effectively and economically complement the gas pipeline and power transmission projects. Conduct prefeasibility studies of multi-island wind systems. However, wind farms can only complement fossil or geothermal resources, not replace them. The lack of good storage technologies for electricity limits sharply what can be expected from wind farms for the foreseeable future. Further studies on wind, especially with regard to multi-island transmission and grid integration, are warranted by the falling costs of wind power.
4. LNG and CNG are costly substitutes for the gas pipeline and should only be considered if the gas pipeline project fails to take off, but may have a secondary supply role. Since these options are more costly and not fully reliable for the hurricane season, this option has not been recommended as an alternative to the pipeline. However, CNG may prove to be relatively cost-effective as a means of supplying markets too small or remote for pipeline supply.

Several key issues will need to be resolved in order to deploy new and larger scale technologies effectively. These include:

- The role of the current monopoly provider
  - o How will stranded costs be resolved?
  - o What rights will the incumbent provider have to invest in new technologies?
  - o What is the role of smaller generation investors?
- What is the role of the government?
  - o Development rights for geothermal energy
  - o Setting prices for common services, including transmission
  - o New regulatory oversight—what is needed? And should it be regional?

Over the next several months it will become necessary to establish some policies regarding these matters in the two OECS countries where development is currently contemplated, Dominica and St. Lucia. In addition, Grenada's prospective cable supply from Trinidad raises issues of stranded costs and regulated prices, both difficult to resolve without a reference point.

The summary conclusions of the report were presented and discussed at the May, 2005, OECS Governing Council



(meeting of the heads of state of the OECS countries). Follow-up on the related regulatory issues is being pursued under the recently approved PPIAF: OECS Regional Electricity Regulatory Diagnostic and Framework Analysis activity.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$180,000	\$180,000	\$20,775	\$1,029	\$154,106	\$25,894
<b>World Bank (BB)</b>	\$20,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$200,000	\$180,000	\$20,775	\$1,029	\$154,106	\$25,894

**Project Title: National Biomass Program**

**Region / Country: Latin America and Caribbean--Bolivia**

**Origin of Funds: Netherlands**

**Task Manager: Philippe J-P. Durand**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Activity has been completed. No further disbursements. The final report is with the task manager for a final review.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$2,569,113	\$2,569,113	\$0	\$0	\$2,589,750	-\$20,637
<b>World Bank (BB)</b>	\$0	\$1,600	\$0	\$0	\$1,600	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$46,762	\$0	\$0	\$46,762	\$0
<b>Total</b>	\$2,569,113	\$2,617,475	\$0	\$0	\$2,638,112	-\$20,637

**Project Title:** Stimulating the Market for Family-Hydro for Low-Income Households in Ecuador

**Region / Country:** Latin America and Caribbean--Ecuador

**Origin of Funds:** Netherlands

**Task Manager:** Philippe J-P. Durand

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The final report is being published and will be translated into Spanish, for distribution to relevant entities in the energy sector in Ecuador, in particular CONELEC, the Ministry of Energy and Mines, and private firms, academia and individuals that were consulted for or participated in the study.

Main outputs of the activity include: review of lessons from picohydropower experience in Vietnam and the Philippines; rapid review of picohydropower market potential in Andean countries; installation of 31 picohydropower projects that were functioning satisfactorily one year after installation; training of engineers and technicians and conduction of business opportunities discussions as a foundation for a sustainable local commercial infrastructure for the development of picohydropower technology in Ecuador.

Remaining disbursements for the project include the cost of report translation (about US\$3000).

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$141,000	\$141,000	\$0	\$4,720	\$133,803	\$7,197
<b>World Bank (BB)</b>	\$17,400	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$158,400	\$141,000	\$0	\$4,720	\$133,803	\$7,197

**Project Title:** Technical Assistance to Proposed Expansion of Solar-Net Village Program

**Region / Country:** Latin America and Caribbean--Honduras

**Origin of Funds:** Netherlands

**Task Manager:** Clemencia Torres

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$197,000	\$187,000	\$0	\$0	\$162,429	\$24,571
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$197,000	\$187,000	\$0	\$0	\$162,429	\$24,571

**Project Title: Mexico - TA for Long-Term Program for Renewable Energy Development**

**Region / Country: Latin America and Caribbean--Mexico**

**Origin of Funds: Core**

**Task Manager: Charles M. Feinstein**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: A decision was taken to publish the output of this activity as an integrated series of ESMAP Technical Papers as opposed to a single summary Activity Completion Report, reflecting the technical richness of the analytical and strategic work performed under the project.

The ESMAP activity has led directly to the development of the \$25 million Mexico GEF Large Scale Energy Development Project, scheduled for World Bank appraisal in February 2006. That project and the ESMAP activity have provided important policy support for the preparation of the new Renewable Energy Law. The Law passed the Mexican Chamber of Deputies on December 14, 2005, and is expected to pass the Senate in February 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$100,000	\$100,000	\$0	\$0	\$95,405	\$4,595
<b>World Bank (BB)</b>	\$15,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$115,000	\$100,000	\$0	\$0	\$95,405	\$4,595

**Project Title:** Policy & Strategy for the Promotion of Renewable Energy Resources in Nicaragua

**Region / Country:** Latin America and Caribbean--Nicaragua

**Origin of Funds:** Netherlands

**Task Manager:** Clemencia Torres

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: This technical assistance and advisory activity was substantially completed by December 2004 and formed the basis for national workshops and dialogue that led to the passage of the Renewable Energy Law (Ley 532). The ESMAP activity prepared detailed case studies on the climate and barriers for investment in geothermal energy, hydropower and wind energy. The summary report, presently being edited for publication, presents specific recommended actions designed to (i) open avenues for renewable energy entry within the current power market, (ii) improve the incentives for investment in renewable energy and "level the playing field" with respect to fiscal treatment that has favored fossil fuel sources, (iii) reduce risks and transactions costs for private sector investors in renewable energy ventures. The Renewable Energy Law addressed many of the fiscal/incentive issues; other actions remain to be accomplished or have been effectively reversed through the recently approved Ley de Estabilidad Energetica. This new law has introduced distortions in the price mechanism reducing the incentive for investments in new generation as well as the attractiveness of renewable energy sources. In particular, the law caps the selling price to the distributor to the variable cost of generation not recognizing fixed costs which are a substantial part of renewable energy projects. At the same time, the Ley de Estabilidad Energetica introduces mechanisms for increased participation of the state in the generation business which is difficult to understand given the private sector interest in generation activities in Nicaragua. The World Bank in coordination with the IMF is conducting a policy dialogue on these issues with the government. In spite of these reversals, the recent Government of Nicaragua-organized bidding for geothermal energy development resulted in two successful concession awards, illustrating the effect of the improvement in the incentive framework.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$250,000	\$250,000	\$0	\$0	\$257,067	-\$7,067
<b>World Bank (BB)</b>	\$45,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$295,000	\$250,000	\$0	\$0	\$257,067	-\$7,067

**Project Title: Renewable Energy Systems in Peruvian Amazon Region (RESPAR Project)**

**Region / Country: Latin America and Caribbean--Peru**

**Origin of Funds: Core**

**Task Manager: Xiaodong Wang**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. Project activities and outputs: The final reports are completed. Based on ESMAP's requests, the task manager will consolidate the three final reports into one for peer review, and ESMAP will publish it as an ESMAP formal report.

2. Outcome and Impacts: this study fills a knowledge gap of economic analysis, regulatory framework, and institutional arrangement for diesel/renewable energy hybrid mini-grids. The results provide valuable information for design of future mini-grid projects.

3. Disbursement: The project activities are completed, and will be fully disbursed by the end of Jan.

4. Knowledge dissemination: the task manager would be happy to present a BBL for this project.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$85,000	\$65,000	\$8,744	\$347	\$77,396	-\$12,396
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$85,000	\$65,000	\$8,744	\$347	\$77,396	-\$12,396

**Project Title:** Africa Rural and Renewable Energy Initiative (AFRREI)

**Region / Country:** Africa Region

**Origin of Funds:** Core; France

**Task Manager:** Arun P. Sanghvi

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$200,000	\$200,000	\$0	\$0	\$200,000	\$0
<b>World Bank (BB)</b>	\$1,500,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$1,700,000	\$200,000	\$0	\$0	\$200,000	\$0



**Project Title:** Promoting Productive Uses of Electricity in Rural Areas

**Region / Country:** Africa Region

**Origin of Funds:** Netherlands

**Task Manager:** Arun P. Sanghvi

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$195,000	\$195,000	\$11,488	\$19,302	\$133,727	\$61,273
<b>World Bank (BB)</b>	\$80,000	\$4,533	\$0	\$0	\$4,533	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$275,000	\$199,533	\$11,488	\$19,302	\$138,260	\$61,273

**Project Title: Capacity Building for the Electricity Authority of Cambodia**

**Region / Country: East Asia and Pacific--Cambodia**

**Origin of Funds: Netherlands**

**Task Manager: Rebecca C. Sekse**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: OUTCOME and IMPACT. The autonomy of the EAC is a key requirement in attracting private capital and ensuring efficient development and operation of the power sector. The Electricity Law ensures achievement of this objective when it appointed a well-respected and capable power sector professional to act as regulator whose decisions could not be revoked by the executive branch, who will operate with budgetary autonomy, and whose office could attract qualified technical staff. Experience in other countries have shown that, even under the protection of the law, regulatory bodies have suffered arbitrary political pressures that undermined their autonomy because of lack of commitment to respect regulatory authority and a strong office to support its daily operation. The technical assistance project contributed to the success of regulatory reform by providing the necessary technical assistance and support that ensured that the EAC remain a technically competent and independent organization able to attract and retain qualified staff. To sustain the benefits of this ESMAP assistance through the project, it is of utmost importance that the technical advisor actively promote coordination with numerous technical assistance programs in support of regulatory reform, rural electrification, power sector reform, among others, to ensure that the EAC continues to play a central regulatory role in the development of the electricity sector in Cambodia. The implementation of this project has been successfully undertaken by the EAC. The technical advisor, in particular, performed the task as defined in the Terms of Reference very satisfactorily.

The final report is on publication process.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$101,000	\$101,000	\$0	\$0	\$100,700	\$300
<b>World Bank (BB)</b>	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$40,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$151,000	\$101,000	\$0	\$0	\$100,700	\$300

**Project Title: China: Enabling Universal Access to Electric Power**

**Region / Country: East Asia and Pacific--China**

**Origin of Funds: Netherlands**

**Task Manager: Richard Spencer**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: 1. During July-December 2005: What are the project activities and outputs to date towards the ACHIEVEMENTS OF the project OBJECTIVES (as set out in the proposal approved by ESMAP). Be sure to focus your progress report on substantive issues, not logistics.

This is a two-phase activity to support China's State Electricity Regulatory Commission (SERC) in its effort to implement universal access to electricity across China. The first phase focuses on an analysis of the requirements for a universal access mechanism and on building awareness and consensus among stakeholders. If there is consensus on the need for a universal access mechanism and it is perceived as being institutionally, economically and technically viable, the second phase will be triggered, which will include piloting and then definition of a national level mechanism.

The counterpart fund was allocated by Chinese government. Both the bank team and SERC were discussing on the consultant issue, including the scope of work for domestic and international consultants respectively, and selection of domestic consultants. SERC suggested allocating most of the ESMAP fund to domestic consultants rather than international consultants as planned in the proposal. SERC also suggested selecting domestic consultant based on Single Source Selection method. The Bank team doesn't fully agree on SERC's suggestion. The discussion is still continuing.

2. What is the OUTCOME AND IMPACT of the project to date?

The progress of the study has still been delayed due to (i) argument with counterpart on fund allocation and consultant selection; and (ii) unexpected loss of key staff working on the activity.

3. DISBURSEMENT PROJECTIONS. Please indicate projections for each half-year till the end of the project.

Approximate schedule of ESMAP disbursements

Jun - Dec 2005	\$ 35,000
Jan - Jun 2006	\$ 15,000
Jun - Dec 2006	\$ 295,000
Total	\$ 345,000

4. PROVIDE UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT. Please also report problems encountered/causes for delays and changes in project design and/or changes in the project's closing dates.

The expected date of project completion is slipped to December, 2006.

5. HIRING CONSULTANTS. Report on consultants/consulting firms hired during the period of the report by nationality, as this is very important to the donors. Please remember that you are required to send your announcement for Expression of Interest to hire consultants to ESMAP for posting on our website, and to follow Bank guidelines on procurement of individual consultants or firms as well. We have samples available.

The international survey consultant mentioned in Section 1 above has been hired. The TOR was advertised on the ESMAP website to find a wider selection of consultants. No responses were received. The Bank's leading energy

survey experts were also contacted to secure CVs of suitable candidates. The CVs on file with EASEG were also mined. Three CVs were picked for a comparison and Mr. Voravate Tuntivate, a Thai national, was selected.

6. PUBLICATIONS: Provide an update on the preparation of reports. Please ensure you contact Marjorie Araya to discuss and coordinate the publication of any reports derived from your activity. A set of ESMAP publications guidelines has been put together for your use. It is recommended that you ensure the allocation of sufficient funds for the publication of your final report as soon as funds are assigned to your activity. These include: peer reviewing, editing, formatting, printing, and if applicable, translation and editing in another language.

No report has yet been produced.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$345,000	\$150,000	\$12,880	\$0	\$5,295	\$144,705
<b>World Bank (BB)</b>	\$200,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$545,000	\$150,000	\$12,880	\$0	\$5,295	\$144,705

**Project Title: National Rural Electrification Planning**

**Region / Country: East Asia and Pacific--East Timor**

**Origin of Funds: Netherlands**

**Task Manager: Leiping Wang**

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$120,000	\$120,000	\$63,108	\$0	\$5,096	\$114,904
<b>World Bank (BB)</b>	\$15,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$265,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$400,000	\$120,000	\$63,108	\$0	\$5,096	\$114,904

**Project Title:** Infrastructure Services to the Rural Poor

**Region / Country:** East Asia and Pacific--Mongolia

**Origin of Funds:** Netherlands

**Task Manager:** Salvador Rivera

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: ESMAP support focused on facilitating a process of consultation among main stakeholders, leading to a proposal for a framework for Renewables Access in rural areas, to be operationalized through a project. Specifically: (i) a brainstorming meeting took place on August 16-19, 2005, among main stakeholders in Mongolia (see attachment); (ii) followed by a Conference involving local banks, donors, Government, investors, consumers and suppliers on October 5-7, 2005 (see agendas); (iii) leading to a submission by Government to GEF for a request to pipeline entry on October 12, 2005; and (iv) a PCN for IDA support to be discussed in January, 2006. This project will be presented to the Board on June, 2006.

Next steps are preparation of a Completion report for this phase of ESMAP support, which will now focus in project preparation. During its implementation, the project shifted its original scope of work to one focused more on the consultative process.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$260,000	\$260,000	\$5,864	\$60,483	\$260,535	-\$535
<b>World Bank (BB)</b>	\$100,000	\$19,589	\$0	\$17,818	\$19,589	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$360,000	\$279,589	\$5,864	\$78,301	\$280,125	-\$535

**Project Title:** Rural Electrification Policy Development and Conceptual Design of Energy Services Delivery Projects to Improve Rural Health and Education Service Delivery

**Region / Country:** East Asia and Pacific--Papua New Guinea

**Origin of Funds:** Netherlands

**Task Manager:** Antonie De Wilde

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: During this period that was no project activity. The report is in the process of being published.

As a follow-up on the project, many of the concepts developed under this study are incorporated in the draft PNG rural electrification strategy. The Bank was invited to participate in the national consultation with various stakeholders which took place in October 2005.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
ESMAP Trust Funds	\$300,000	\$300,000	\$1	\$0	\$314,269	-\$14,269
World Bank (BB)	\$50,000	\$38,194	\$0	\$4,200	\$38,194	\$0
Non-ESMAP Trust Funds	\$50,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$400,000</b>	<b>\$338,194</b>	<b>\$1</b>	<b>\$4,200</b>	<b>\$352,462</b>	<b>-\$14,269</b>

**Project Title: Best Practices for Grid Electrification Phase II**

**Region / Country: Global**

**Origin of Funds: Netherlands; Core**

**Task Manager: Douglas French Barnes**

**Summary of Current Project Status, Issues and Actions:**

For period July-Dec 2005: Completing final report over holidays and will submit for publication to EXTOP as flagship early January. Reviewed by Karl Jechoutek, Andrew Barnett, Anton Eberhardt (outside reviewers) and Demetrios (LCR), Xiodong Wang (AFR), and Fanny (AFR) of the energy practices. Budget mostly all expensed.

The report will provided on the basis for ramping up energy access in the coming calendar year, including session at energy week, a workshop next year, and the development of a training course on grid rural electrification. This will of course require new budget and is in my workprogram.

Improved Heating Stove. Report already published and all budget expensed.

The findings of the report were used in the development of a subcomponent of a Mongolia energy sector project supervised by Salvador Rivera. The study showed that despite having chimneys, there is a significant level of indoor air pollution in homes in Mongolia during the winter months. It also recommended improved energy efficiency measures.

Meeting the Needs of Periurban Poor. Workshop completed in September and project should be closed. Maureen and Vishy should check budget for all final expenses and release any remaining funds. Dominique completed back to office report and I am not sure there will be a publication other than perhaps a CD.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$279,860	\$279,860	\$2,100	-\$1,411	\$285,330	-\$5,470
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$279,860	\$279,860	\$2,100	-\$1,411	\$285,330	-\$5,470



**Project Title:** Regulatory Issues of Off-Grid Energy Service Delivery as Part of National Rural Electrification Strategies

**Region / Country:** Latin America and Caribbean Region

**Origin of Funds:** Netherlands; Core

**Task Manager:** Clemencia Torres

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: A) Status. The final report has been submitted to ESMAP. All funds have been disbursed. Project objectives have been achieved. Main results and contents of final report see database update 1-2005

B) Dissemination. Results have been disseminated on various occasions, such as: (i) ESMAP working clinic (Buenos Aires 2004); (ii) Bolivia IDTR Seminar (La Paz 2005); (iii) Bolivia PPP conference (La Paz 2004); (iv) 20th European PV-SEC (Barcelona 2005); (v) World Bank Brown Bag Reiche/Rysankova (Washington, DC 2005); (vi) Presentation Tenenbaum Georgetown University (Washington, DC 2005); (vii) PERMER conference (Buenos Aires 2005). Two spin-off presentations and a contribution to the World Bank's Energy Week 2006 have been requested and will be delivered in 2006, financed with follow-up funding from DFID and GPOBA.;08/18/2005: A) Status. All funds have been disbursed. Activity has been closed. The final report is currently being reviewed and will be published in 2005. Project objectives have been achieved. No new consultants were hired in 2005. Main results and contents of final report see database update 1-2005

B) Dissemination. The successful 'Working Clinic on Regulatory Issues for Rural Electrification' (July 22-24 in Buenos Aires) was the project's main dissemination activity and deliverable. Besides this working clinic and the report, early results have been presented at the following occasions: Bolivia IDTR SHS Seminar (La Paz 2005); Bolivia PPP conference (La Paz 2004); World Bank Brown Bags.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$167,500	\$167,500	\$0	\$0	\$139,040	\$28,460
<b>World Bank (BB)</b>	\$20,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$187,500	\$167,500	\$0	\$0	\$139,040	\$28,460

**Project Title:** Peru Rural Electrification

**Region / Country:** Latin America and Caribbean--Peru

**Origin of Funds:** Netherlands

**Task Manager:** Susan V. Bogach

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

1. **Activities/outputs completed.** Survey instruments were developed, especially the questionnaires and preliminary survey sample design was carried out. Between Jan-June 2005, sample design was completed, the questionnaire was tested in the field, and the actual fieldwork by the National Statistical Institute was largely carried out. During July-December 2005, the field survey work was completed, the data base was cleaned by INEI and preliminary analysis of the survey results was carried out. The results of this analysis are summarized in two reports, "Economic and Financial Analysis for the Peru: Rural Electrification Project" and "Results of National Rural Energy Survey in Peru". ESMAP supported the design of the survey and the analysis, while the Ministry of Energy and Mines contributed US\$300,000 to pay INEI to carry out the fieldwork and prepare the data base. According to the Bank's rural energy survey expert, the data base and preliminary analysis are of high quality.
2. **Outcome and Impact.** The results of the survey directly provided the data needed for the economic and financial justification for the appraisal of the Peru Rural Electrification Project, to be funded by the World Bank and GEF (total US\$144 million, IBRD US\$50 million, GEF US\$10 million. ) The data provided included information on energy demand by region, willingness to pay and consumer surplus. The data was also used to contribute to a dialogue on rural electrification and tariff levels. The regulator is proposing a 20% increase in tariff levels.
3. **Disbursement Projections.** The project is expected to complete disbursements of the ESMAP allocation in the next six months, i.e. Jan-June 2006.
4. **Update on Expected Completion Date and Draft Report.** The Project is expected to be completed by June 30, 2006, approximately three months after original completion date of March 31, 2006. The reason for the slight delay is the richness and high quality of the data collected which will permit the analysis of policy issues not only at the Project level, as already done, but also at the level of national policy.
5. **Hiring of Consultants.** Several consultants have been hired to date, including Dr. Voravate Tuntivate, to design the survey and questionnaire, Dr. Peter Meir, to analyze the survey results, and Laura Berman, to liaise between the bank team, the Ministry of Energy and Mines team, and the National Statistics Institute.
6. **Publications/Knowledge Dissemination.** Preliminary results of the survey are available in the draft Project Appraisal Document of the Peru Rural Electrification Project, and in the two reports mentioned in section 1 above. Results will be published by June 30, jointly by ESMAP and the Ministry of Energy and Mines.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$245,000	\$245,000	\$16,416	\$71,041	\$213,189	\$31,811
<b>World Bank (BB)</b>	\$30,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$275,000	\$245,000	\$16,416	\$71,041	\$213,189	\$31,811

**Project Title:** Exploring Opportunities for Improving Rural Energy Access

**Region / Country:** South Asia--Afghanistan

**Origin of Funds:** Core

**Task Manager:** Mudassar Imran

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**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec, 2005. 1. Project activities and outputs to date towards the ACHIEVEMENTS OF its OBJECTIVES. In part, based on the ESMAP supported work, a rural energy strategy note was prepared and sent to the Government of Afghanistan (Please see attachments). The note highlights the key barriers to improving rural energy access in Afghanistan and options to address these barriers. Raising awareness about the issues and opportunities for rural energy access was one of the key objectives of this work which has been achieved.

2. What is the OUTCOME AND IMPACT

This work has:

Provided a forum for all the stakeholders active in rural energy area to discuss issues and opportunities for improving rural energy access in Afghanistan.

Contributed to raising awareness among policy makers in Afghanistan about the importance of rural energy access in improving the lives of the vast majority of Afghans living in rural areas.

Formed the analytical basic for our policy dialogue and rural energy lending strategy in Afghanistan for the future.

3. DISBURSEMENT PROJECTIONS

To be submitted.

4. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT

No formal ESMAP report is planned.

5. HIRING OF CONSULTANTS.

Done in 2004.

6. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES

A workshop was held in June 2004, to discuss the preliminary findings of the work. The workshop participants included Government officials, representatives from the private sector, donor and NGO community. The workshop was inaugurated by Dr. Ghulam Jelani Jelis (Deputy Minister for Power). The workshop was well received. The audience welcomed discussions, in particular on the importance of rural energy access in the broader economic development context, the international experience, practical constraints to improving rural energy access, and the institutional and technological options. Workshop presentation and list of attendees is attached.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$41,467	\$8,533
<b>World Bank (BB)</b>	\$30,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$80,000	\$50,000	\$0	\$0	\$41,467	\$8,533

**Project Title: Towards Formulating a Rural Energy Strategy**

**Region / Country: South Asia--Bangladesh**

**Origin of Funds: Core; Netherlands; Sweden**

**Task Manager: Douglas French Barnes**

**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec 2005: The final report of the Bangladesh Rural Energy Strategy is in the final stages of preparation. Dr Asaduzzaman came to Washington DC in November and December of 2005 to complete the final version of the report. We have a team of Bank staff working with Dr. Asaduzzaman including the task manager from ESMAP and staff from the DEC and WBI. The report is based on a national household survey and other related materials. It is anticipated that the draft report will be completed by the end of February 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$310,000	\$310,000	\$11,369	\$26,480	\$255,207	\$54,794
<b>World Bank (BB)</b>	\$20,000	\$208,858	\$0	\$0	\$208,858	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$330,000	\$518,858	\$11,369	\$26,480	\$464,064	\$54,794

**Project Title: Enhancing Access and Rural Electrification - Costs & benefits, and Willingness to Pay**

**Region / Country: South Asia--Pakistan**

**Origin of Funds: Core**

**Task Manager: Waqar Haider**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Project activities and outputs to date towards the ACHIEVEMENTS OF OBJECTIVES (as set out in the original proposal approved by ESMAP):

During Jul-Dec 2005, progress has been made as follows: (a) competitive process for hiring the Consultant to undertake the ESMAP study was initiated, and successfully completed; (b) conceptual framework for selecting a 'purposive' sample of districts, villages and households was discussed and agreed; (c) Inception Report, outlining the survey methodology and analytical work was completed; and (d) preliminary survey of selected districts was completed.

Field work is expected to commence in January 2006.

2. OUTCOME AND IMPACT of this work to date, including progress towards achievement of the proposed outcomes:

The planned ESMAP study has already created interest in Government, regulatory institutions, public utilities and other stakeholder institutions on understanding consumer motivations, and willingness to pay for energy supplies. It is expected that the results may pave the way for appropriate tariff reforms in the energy sector in the future.

3. DISBURSEMENT PROJECTIONS.

Rs.712,375 (about \$12,000) by December 31, 2005

Rs.854,850 (about \$14,250) by February 28, 2006

Rs.1,282,275 (about \$21,250) by April 15, 2006.

4. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT.

Project is expected to be completed by April 30, 2006. Delays have been encountered in starting the activity on account of the pre-occupation of the responsible Energy Team in high-level strategic discussions with the Government during FY2004 and FY2005.

5. HIRING OF CONSULTANTS. What are the consultancies launched during the reporting period?

AASA has been hired in December 2005 to undertake field survey, and do the basic analytical work.

6. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES: Update on the preparation of any reports and/or plans for brown bag lunches, presentations, workshops, seminars or courses pertaining to your ESMAP activity.

Results of the field work, and consultant's analytical work would be presented in Stakeholders meetings prior to its finalization. ESMAP report based on this work, once finalized, is envisaged to be widely disseminated among the Government, regulatory institutions, public utilities, and others in Pakistan.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$35,714	\$12,637	\$20,121	\$29,879
<b>World Bank (BB)</b>	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$60,000	\$50,000	\$35,714	\$12,637	\$20,121	\$29,879



**Project Title: Ghana: Energy Sector Strategy**

**Region / Country: Africa--Ghana**

**Origin of Funds: Core**

**Task Manager: Subramaniam V. Iyer**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The two papers on the Power Sector and the Petroleum sector have been completed and delivered to the client (Government of Ghana) June 2005. The Government of Ghana, Ministry of Energy organized a 1.5 day workshop in Accra on Oct 3/4 2005 to disseminate and discuss the Power Sector paper. A summary report of the workshop is under preparation by the Ministry of Energy. At the request of the Government (and ESMAP) the team is updating the two reports to bring data up to date and revise the findings and recommendations in light of significant developments in 2005. The revision is expected to be completed by February 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$99,431	\$99,431	\$0	-\$3,478	\$95,202	\$4,229
<b>World Bank (BB)</b>	\$107,600	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$207,031	\$99,431	\$0	-\$3,478	\$95,202	\$4,229

**Project Title:** Implementation strategy for China's energy security objectives

**Region / Country:** East Asia and Pacific--China

**Origin of Funds:** Core

**Task Manager:** Nouredine Berrah

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: A draft strategy paper has been completed. Entitled "China: Energy Sustainability: the Closing Window of Opportunity", the report reviews in depth the options for China to meet its energy demand over the next 15 years. Reviewing the basis for the fast growing demand, analyzing the environmental impact, the report argues, that in spite of the major reforms which have taken place over the past decade in particular, the situation calls for more coordinated policies, stronger sector management institutions, and more focus on results. Sustainability of energy supply and use is at the core of the discussion, so that China can achieve its stated objective of reducing the energy intensity of its economy, make greater use of domestic resources, safeguard the environment, and lessen its vulnerability to major market disruptions.

The report is to be discussed with the Chinese authorities, and published by end-April 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$37,430	\$21,331	\$78,062	\$71,938
<b>World Bank (BB)</b>	\$25,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$175,000	\$150,000	\$37,430	\$21,331	\$78,062	\$71,938

**Project Title:** Vietnam - Policy Dialogue Seminar and New Mining Code

**Region / Country:** East Asia and Pacific--Vietnam

**Origin of Funds:** Core

**Task Manager:** Charles A. Husband

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$59,634	\$59,634	\$0	\$0	\$59,634	\$0
<b>World Bank (BB)</b>	\$30,000	\$70,175	\$0	\$0	\$70,175	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$89,634	\$129,809	\$0	\$0	\$129,809	\$0

**Project Title:** Development of Power Generation in South East Europe. Implications for Investments in Environmental Protection

**Region / Country:** Europe and Central Asia Region

**Origin of Funds:** Core

**Task Manager:** David Kennedy

**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec 2005: The outcome of this project was a study assessing the impact of alternative environmental legislative frameworks on the least cost expansion plan for power generation in South East Europe. The study first reviewed the existing environmental control technology in place in the SEE region. Second, costs associated with upgrading technologies to control for sulfur dioxide emissions were estimated. Third least cost power generation expansion was investigated under various scenarios: (i) power generation rehabilitation would include installation of control technology for sulfur dioxide emissions (ii) carbon credits would be available for gas fired and hydro plants. The results of the study suggested that as environmental standards are increased, rehabilitation of existing plant in the region becomes less economic.

The study has been instrumental in informing the Bank's position during policy dialogue on drafting environmental aspects of the regional energy market Treaty. The Treaty left certain questions open s regards environment, and these can be answered going forward drawing on the results of the study. The Bank is currently finishing drafting a new strategy paper for power market development in SEE, one section of which is based on the environmental study. Upon publication of the study, the Bank will lobby stakeholders in the Athens Process for regional market development and will aim to ensure that an appropriate environmental legislative framework is developed.

The report is published on the ECA (Power) pages of the Bank's website. The new strategy will be published in January.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$230,000	\$230,000	\$0	\$0	\$218,878	\$11,122
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$230,000	\$230,000	\$0	\$0	\$218,878	\$11,122

**Project Title:** Azerbaijan - Natural Gas Sector Restructuring and Regulatory Reform

**Region / Country:** Europe and Central Asia--Azerbaijan

**Origin of Funds:** Netherlands; Core

**Task Manager:** Alan F. Townsend

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$230,000	\$230,000	\$0	\$0	\$230,000	\$0
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$230,000	\$230,000	\$0	\$0	\$230,000	\$0

**Project Title:** Energy Sector Regulation (incl gas proj)

**Region / Country:** Europe and Central Asia--Poland

**Origin of Funds:** Core; France

**Task Manager:** Rachid Benmessaoud

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**Summary of Current Project Status, Issues and Actions:**

For the period Jul-Dec 2005: The ESMAP activity on "Poland: Energy Sector Regulation and Tariffs," initiated in 1999 and completed in January 2001, was a follow-up to previous ESMAP support for the restructuring of the energy sector in Poland, dating back to 1990. The follow-up assistance focused on five areas: (i) resolving the most urgent problems and issues facing the Energy Regulatory Authority (URE) in applying tariff regulations, in regulating energy tariffs and in monitoring compliance; (ii) reviewing the appropriateness of the new Energy Law (which was passed in 1997) and relevant tariff Ordinances (including the scope of URE's responsibility) and proposing amendments to the legislation, in light of the regulatory experience and the implementation deficiencies; (iii) building up the capability and expertise of URE's staff through training, which would cover international experience in the economic regulation of the electricity and district heating sectors, to the extent that it was relevant to the situation in Poland; (iv) developing a gas tariff model; and (v) providing expert advice on the privatization program for the power sector. The latter was carried out by the Bank in the context of its policy dialogue with the Government of Poland.

In the electricity sector, guidance to URE covered four main topics: (i) the development and application of a methodology for the benchmarking of the electricity distribution and transmission entities (as the work progressed, URE redirected the efforts to concentrate on the distribution business, to take into account URE's expressed priority concerns and the limited budgetary resources); (ii) the development of a methodology and calculation of the cost of capital for the power sector; (iii) ways to address social concerns in the provision of electricity services; and (iv) proposals for improving the electricity tariff-setting process. In addition, URE also received guidance on legislative aspects of the electricity sector regulation, namely: (i) addressing the legal issues with respect to justified costs; (ii) recommending additional changes to the Energy Law to help URE strengthen its position during the intergovernmental and parliamentary sessions, where amendments to the Energy Law were recently under active discussion; (iii) providing specific amendments to the Energy Law, together with the justification; and (iv) analyzing the May 2000 amendments to the Energy Law, which became effective on June 14, 2000.

In the district heating sector, assistance support to URE focused on: (i) review of the Energy Law and the Ordinances issued the Law; (ii) outlining the problems encountered by heating companies in preparing the first application for tariff review; (iii) review of the restrictions and limitations imposed on URE which prevented them from establishing equitable tariffs; and (iv) outlining a strategy for the long-term development of a heating tariff regulatory system. A review of benchmarking and its roll in tariff regulation was also included.

In the gas sector, assistance support to the Polish Oil and Gas Company (POGC) focused on developing the in-house capacity to determine gas tariffs in an unbundled, competitive market with third-party access. A computer-based model was developed and transferred to POGC.

A series of training based on the studies developed were conducted as part of the ESMAP assistance support.

URE has derived considerable benefit from the support and training provided. URE used the results of the work to strengthen its position in proposing revisions to the secondary legislation, notably: to seek a better sequencing of the tariff approval process, which would allow a rolling schedule for the applications submitted by generation and distribution companies; and to confirm URE's right to apply the benchmarking methodology and price caps presented. URE has also acquired the software for benchmarking and started using the methodology in mid-2001. Nevertheless, it was clear at that time that more works lies ahead and that URE needed continued assistance to consolidate and strengthen its regulatory capacity. Experience with restructuring in Poland has confirmed that writing an Energy Law

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$560,172	\$560,172	\$0	\$0	\$560,172	\$0
<b>World Bank (BB)</b>	\$69,243	\$69,243	\$0	\$0	\$69,243	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$629,415	\$629,415	\$0	\$0	\$629,415	\$0

**Project Title:** Corruption issues in the Energy Sector

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** Ede Jorge Ijjasz-Vasquez

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$27,000	\$27,000	\$0	\$2,091	\$2,091	\$24,909
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$27,000	\$27,000	\$0	\$2,091	\$2,091	\$24,909



**Project Title:** Decentralized Energy Services for IDA Countries

**Region / Country:** Global

**Origin of Funds:** United Kingdom

**Task Manager:** M. Ananda Covindassamy

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$119,480	\$119,480	\$29,640	\$40,040	\$89,840	\$29,640
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$119,480	\$119,480	\$29,640	\$40,040	\$89,840	\$29,640

**Project Title:** Review of ESMAP's Energy Sector Reform & Market Development Work

**Region / Country:** Global

**Origin of Funds:** Core

**Task Manager:** Dominique M. Lallement

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The Draft Report has been reviewed and is not of sufficient quality to become an ESMAP formal publication. It will be therefore finalized as an Activity Completion Report.

The report lacks balance between the 4 countries reviewed, and although it was only a desk review, the consultants did not go in sufficient depth to analyze the impact of ESMAP's technical assistance in the four countries. The useful lessons from the Review have been summarized in the preceding update.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$20,000	\$20,000	\$0	\$0	\$18,377	\$1,623
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$20,000	\$20,000	\$0	\$0	\$18,377	\$1,623

**Project Title: Win-Win: Demand Side Management Options in Developing Countries**

**Region / Country: Global**

**Origin of Funds: Core**

**Task Manager: Luiz T. A. Maurer**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Reminder sent to TM on 1-20-06 for submission of progress update.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$1,950	\$10,549	\$39,451
<b>World Bank (BB)</b>	\$73,800	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$57,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$180,800	\$50,000	\$0	\$1,950	\$10,549	\$39,451

**Project Title:** Colombia: Natural Gas: Bases for a Development Strategy of the Sector

**Region / Country:** Latin America and Caribbean--Colombia

**Origin of Funds:** Core

**Task Manager:** Clemencia Torres

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The draft report was reviewed and the final document, was integrated in the overall strategy for the infrastructure sectors in Colombia presented in the REDI report This final document is attached here below, together with a presentation made by M. Heater from the WB on issues related to security supply. The next step will be to follow up with ESMAP to do what is needed for the translation and publication of the document. All work has been completed, a draft report is under review. It will be sent to ESMAP around September 2005 for publication.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$50,000	\$50,000	\$0	\$0	\$38,926	\$11,074
<b>World Bank (BB)</b>	\$0	\$3,926	\$0	\$0	\$3,926	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$50,000	\$53,926	\$0	\$0	\$42,852	\$11,074

**Project Title: Power Sector Strategy**

**Region / Country: Latin America and Caribbean--Paraguay**

**Origin of Funds: Netherlands**

**Task Manager: Lucio Monari**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Consultants for the strategy work have been selected under international competitive bidding. Mercados Energeticos was selected. The launch workshop with the participation of utilities' staff, consumers' organizations, sectoral agencies, Government's representatives, academia and civil society was held on December 13 and 14, 2005. The launch workshops has already generated a lot of interest, and widened the perspective of the utility on the main issues and on the perception of consumers and civil society on the most urgent actions to be taken to improve the situation. Consultants are now working on the different components of the strategy incorporating the main workshops' conclusions and in coordination with the electric power utility and the Government. Preliminary report is expected to be ready by March 2006, following which, a final workshop to communicate the results and the main conclusions of the study will be held at the beginning of April 2006. The entire amount of US\$150,000 is expected to be disbursed by the end of the fiscal year 2006.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$90,000	\$14,151	\$36,864	\$113,136
<b>World Bank (BB)</b>	\$30,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>		\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$150,000	\$90,000	\$14,151	\$36,864	\$113,136

**Project Title:** Extending the Use of Gas to Inland Peruvian Provinces

**Region / Country:** Latin America and Caribbean--Peru

**Origin of Funds:** Peru- Extending the use of gas to Inland Provinces; Sweden

**Task Manager:** Eleodoro O. Mayorga Alba

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The consultants timely completed and presented to the local authorities and to PROINVERSION the final recommendations. Out of the four provinces that were evaluated, a gas transport and distribution license could be open for bidding for three of them (Ica, Junin and Ayacucho); in the case of Cusco the non-existence of large industrial consumers makes necessary to postpone the bidding of this kind of license, instead an effort should be made to promote the use of gas.

A report has been prepared to consolidate all the different studies made (market, environmental, routing, economic and financial) into one publication. The attached file has been translated into English and a publication is undergoing a final editing.

The TF closes by the end of the year, practically all funds have been already disbursed.

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$355,480	\$355,480	\$0	\$235	\$348,943	\$6,538
<b>World Bank (BB)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$355,480	\$355,480	\$0	\$235	\$348,943	\$6,538

**Project Title:** Determination of Gas Pricing for Poor Households in Egypt (Regional Allocation Grant)

**Region / Country:** Middle East and North Africa--Egypt

**Origin of Funds:** Netherlands

**Task Manager:** Franz Gerner

**Summary of Current Project Status, Issues and Actions:**

**Budget Summary**  
as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$250,000	\$250,000	\$250,000	\$0	\$0	\$250,000
<b>World Bank (BB)</b>	\$30,000	\$2,853	\$0	\$2,853	\$2,853	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$280,000	\$252,853	\$250,000	\$2,853	\$2,853	\$250,000

**Project Title:** Strategy to Expand Gas Distribution and Utilization in Turkey

**Region / Country:** Middle East and North Africa--Turkey

**Origin of Funds:** Core

**Task Manager:** Ranjit J. Lamech

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: The experience of the Turkish private concessioning approach which now extends to 22 city concessions is being studied. A consultant is in the field completing this assessment and a report will be prepared by February 2006. This will be integrated with the main report that has been sent to ESMAP and a comprehensive publication prepared.

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as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$150,000	\$150,000	\$6,000	\$4,223	\$113,981	\$36,019
<b>World Bank (BB)</b>	\$80,000	\$2,510	\$0	\$0	\$2,510	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$230,000	\$152,510	\$6,000	\$4,223	\$116,491	\$36,019



**Project Title: Developing Regional Clean Air Networks**

**Region / Country: Global**

**Origin of Funds: Netherlands**

**Task Manager: Marian S. Delos Angeles**

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Project Activities and Outputs to Date Towards the Achievements of its Objectives

The Clean Air Initiative (CAI) was launched by the Bank in Latin America in December of 1998 in order to establish a comprehensive approach and stakeholder shared vision for addressing air quality problems in cities and to strengthen the sharing of experiences among cities. The objective of the CAI-LAC is to improve air quality in cities, to protect the health of their inhabitants and to mitigate global pollution through partnerships involving government agencies, private sector companies and industry associations, NGOs, academic institutions, foundations, international development agencies and individuals. The Initiative has expanded to Sub-Saharan Africa (CAI-SSA) and Asia (CAI-Asia) and is increasingly becoming a global network, through which lessons learned in the implementation of air quality policies and management options are shared.

The active dialogue of the CAI with key policymakers has helped raise awareness of air quality issues and has helped to spur pilot programs and investment projects (including Bank operations). The CAI has also developed linkages with the climate change agenda, especially through the promotion of sectoral energy efficiency improvements in the transport sector. Examples include a number of GEF financed projects on sustainable transport and air quality in cities in Latin America, Africa, China, and South-East Asia. Some of these have been developed in parallel with planned Bank operations, while others have resulted in new Bank operations.

Through its support of studies and technical assistance, ESMAP has been instrumental in supporting the activities of the CAI. One of the areas where the CAI and ESMAP have been most successful is in helping disseminate information and working towards implementation on the ground. Examples include the technical training and distance learning courses supported by ESMAP that have drawn from Bank and partner's expertise and helped disseminate lessons learned to a wide audience and strengthen networks between cities and local practitioners. The courses have been highly regarded by participants, and evaluations have shown their success and the need for further expansion. Clear impacts of CAI and the ESMAP partnership have been seen with regards to the phase-out of leaded gasoline. By raising awareness of the high benefits of lead phase-out and disseminating practical experiences of how to go about implementing lead phase-out programs, ESMAP and CAI have had a major impact (at very low cost) in helping countries move to unleaded gasoline.

**Outcomes and Impacts**

The main outcomes and impacts are presented by the different regional Clean Air Initiatives in Latin America (CAI-LAC), in Asia (CAI-Asia), and in Africa (CAI-Africa).

**Clean Air Initiative in Latin American Cities (CAI-LAC)**

Following the city specific workshops, technical assistance and training, CAI-LAC has played a very important role in mainstreaming air quality and climate change issues in Bank projects. Through the active dialogue with city representatives and sharing of experience among CAI-LAC partner cities, the World Bank has helped secure GEF funding in on-going operations in Santiago (USD7 million), Lima (USD8 million), and Mexico (USD5 million), the Bank is also preparing new GEF projects for Sao Paulo (USD12 million), Bogotá and other Colombia cities (USD8 million).

These projects are helping to implement sustainable transport policies and improve air quality in Latin American cities through a long-term modal shift to more efficient and less polluting modes of transport and sound land-use development planning consistent with sustainable transport principles.

Currently the World Bank is preparing a 100 million regional GEF project that will foster a common approach to sustainable transport, articulating land-use planning, and air quality policies. The GEF resources will be allocated on a competitive basis, and over 40 cities prepared proposals that will be evaluated by a panel of experts. ESMAP support helped disseminate lesson learned and prepare the project website ([www.cleanairnet.org/proyectogef](http://www.cleanairnet.org/proyectogef)) that presented past experiences and provided the platform for submission of proposals.

The CAI-LAC also in the process of creating and independent center to manage the partnership and coordinate activities. To that effect, a spin-off DC-based institution is being established to better respond the main challenges ahead: (i) included a much wider and diverse audience, including all interested cities in the region and key sectors such as environment, transport, and energy; (ii) strengthen participation of partners and members; (iii) ensure financial sustainability; (iv) better disseminate the experience and knowledge about air quality management; and (v) allow for a more fluent exchange of services and cooperation amongst members and partners to the Initiative.

#### Clean Air Initiative for Asian Cities (CAI-Asia)

Based on the successful experience in Latin America, the World Bank with support from ESMAP has developed an Urban Air Quality Management Distance Learning (UAQM-DL) course and helped launch a Clean Air Training Network (CATNET-Asia) to bring together air quality practitioners and experts interested in delivering its UAQM-DL course among other training courses. During the last half year, the World Bank has provided support to strengthening CATNET-Asia and delivering the UAQM-DL in cooperation with regional institutions, namely the: (a) Institute Teknologi Bandung, Bandung, Indonesia; (b) University of the Philippines, Metro Manila, Philippines; (c) Chulalongkorn University, Bangkok, Thailand; (d) Hanoi University of Civil Engineering, Hanoi, Vietnam; and, (e) Ho Chi Minh Environmental Protection Agency, Ho Chi Minh, Vietnam. The delivery of these courses helped strengthen the capacity of these institutions and will result in follow up deliveries, as well as new deliveries by other institutions. The decentralized delivery resulted in 183 participants getting trained for a total of 593 participant training days (PTDs).

The CAI-Asia will continue strengthen the network and coordinate different programs on air quality management and related topics in the region. Capacity building and knowledge dissemination will one of the main pillars of CAI-Asia's program, but increased emphasis will be given to ensuring the implementation of appropriate p

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<b>ESMAP Trust Funds</b>	\$900,000	\$900,000	\$0	\$14,159	\$866,005	\$33,995
<b>World Bank (BB)</b>	\$0	\$5,875	\$0	\$0	\$5,875	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$900,000	\$905,875	\$0	\$14,159	\$871,880	\$33,995

**Project Title: Source Apportionment of Fine Particulates in Developing Countries**

**Region / Country: Global**

**Origin of Funds: Netherlands**

**Task Manager: Todd M. Johnson**

**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005: Activities and Outputs: Particulate pollution source apportionment methodologies and results from studies conducted in the last three years for 20 case study cities from Africa, Asia, and Latin America are reviewed and compiled for a publication. This publication, "Handbook on PM Source Apportionment", currently includes - (1) an update on sampling techniques, receptor models, methodologies, and limitations (2) a chapter on recommendations and better practices - including a table of source apportionment methods and expected outputs (3) a chapter on lessons learnt with five examples using various techniques. Draft report will be finalized with a discussion meeting with the technical advisory committee in January 2006.

Lessons learnt from the case study cities were utilized to prepare and conduct a three-phase PM source apportionment study in Hyderabad, India, in November 2005, in collaboration with Andhra Pradesh Pollution Control Board (APPCB), US-EPA, NREL and DRI (USA). This program included a two day training event attended by 40 staff members from pollution control boards of Andhra Pradesh state, followed by 21 day air quality sample collection from three stations under the first phase. First phase analysis will be conducted at DRI in collaboration with WB and DRI staff. As part of the capacity building activity, two of the staff members from APPCB will be trained at DRI to conduct source apportionment analysis in Hyderabad for the subsequent phases.

A draft version of the review, case studies and application of methodology in Hyderabad, India, will be circulated to the technical advisory committee and the World Bank staff for review and comments in January 2006.

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as of June 30, 2005

	Approved (A)	Allocated (B)	Outstanding Commitments (C)	Disbursed April 1 - June 30, 2005 (D)	Disbursed to Date (E)	Remaining Balance (G=B-E)
<b>ESMAP Trust Funds</b>	\$295,000	\$295,000	\$16,000	\$7,529	\$236,203	\$58,797
<b>World Bank (BB)</b>	\$100,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$395,000	\$295,000	\$16,000	\$7,529	\$236,203	\$58,797

**Project Title:** Diesel Pollution Reduction Strategies for Cities

**Region / Country:** Latin America and Caribbean--EAP;LCR

**Origin of Funds:** Belgium

**Task Manager:** Jitendra J. Shah

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**Summary of Current Project Status, Issues and Actions:**

For period Jul-Dec 2005:

1. Project activities and outputs

Activities during July to December 2005 include:

- Continuing the Emission Testing, and checking and improving the laboratory performance – so far we have tested 35 Light duty vehicles and 70 heavy duty vehicles; 15 vehicles for Biodiesel fuels; conducted Retrofit Demonstration for 5 base line and 4 retrofitted light duty vehicles and 12 baseline and 3 retrofits for heavy duty; initiated discussion on the CNG vehicle testing; and tested 3 heavy duty vehicles with low sulfur diesel fuel.
- Preventive Maintenance workshop and training activity initiated
- Re-powering report is being drafted by the consultant

2. What is the OUTCOME AND IMPACT

The importance of the in-use vehicle emissions is now accepted by everyone in the region. During the last six months and over the course of the last year, the need for critically evaluating the laboratory data has become clear. The laboratory capacity is being built and they are appreciating the help we are providing through various consultants. The issue of focus on preventive maintenance and looking at repowering options is appreciated by all stakeholders.

3. DISBURSEMENT PROJECTIONS.

US \$ 25,000 during January to June 2006

4. UPDATE ON EXPECTED DATE OF PROJECT COMPLETION AND DRAFT REPORT. The draft report will be prepared around May 2006. We have encountered major delays because of the difficulties related to verifying the laboratory data as the reason for the data discrepancies could not be identified in spite of several international experts going to the laboratory.

5. HIRING OF CONSULTANTS. No new consultants have been hired during this reporting period.

6. PUBLICATIONS/KNOWLEDGE DISSEMINATION ACTIVITIES:

A meeting was held on August 22, 2005 to review progress made on the Thailand Developing Integrated Emission Strategies for Existing Land-transport (DIESEL) Program supported by ESMAP. The following is a summary of key issues discussed and recommendations made:

1. Context. DIESEL program is an integral part of the Clean Air Initiative for Asia (CAI-Asia) and the Thailand Country Development Partnership on the Environment (CDP-E). It is financed by ESMAP and TFESSD. It is a valuable activity with large stakeholders support (local and international), strong linkages to ongoing urban transport dialogue and programs, as well as to environment dialogue and programs. It is a 2-year program launched in July 2004.
2. Relevance. Various tasks under this program -- such as emission testing to establish emission factors of criteria pollutants from vehicles in the Asian context, and development of modeling tools for policy and management options – generate new knowledge and can benefit other cities with similar problems.
3. Focus on policy choices. The current program is technically sound. However more attention will need to be given to assessing and prioritizing different policies and interventions. In order to support this, (i) modeling tools should simulate the impacts not only of the technical options, but also of broader policies; (ii) the DIESEL program should aim at preparing a list of prioritized options that may be implemented in phases; (iii) activities such as public transportation—which involves land-use management, traffic management, bus industry organization, etc.—should be tested in the modeling tool so that the cost and benefits of such activities are better understood by the decision makers (At the same time, it was recognized that the topic of bus sector and public transport is much larger than what the project can handle) ; and (iv) political economy aspects of key proposed policies --including the identification of key stakeholders, evaluation of the feasibility of regulatory measures, and institutional constraints – should be assessed.
4. Policy dialogue. Discussions with key policymakers should start as soon as possible to expand consensus building before the final report is submitted. The CDP-E provides a good platform for promoting discussions with policy makers on the scope of the project, criteria for involvement of stakeholders, and policy options for better air quality. It

was proposed that the DIESEL program should be discussed at the next CDP-E meeting.

5. Dissemination. Lessons learnt from the program should be written up as case studies and good transport management guidelines, and there should be a clear regional dissemination plan in order to foster cross-country learning.

6. Peer review. The DIESEL team should propose a peer review team consisting on 3 internal and 2 external reviewers. One of these should have academic and/or policy making experience, and strong knowledge of the Thai context. This would preferably be a Thai national.

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<b>ESMAP Trust Funds</b>	\$249,195	\$249,195	\$5,000	\$23,828	\$226,254	\$22,941
<b>World Bank (BB)</b>	\$180,000	\$0	\$0	\$0	\$0	\$0
<b>Non-ESMAP Trust Funds</b>	\$90,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$519,195	\$249,195	\$5,000	\$23,828	\$226,254	\$22,941

