

Technical Advisory Group Energy Trust Funded Programmes

Presentation to the Consultative Group

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Overview

- Period of change – as usual
- Major innovation shifting funds to regional programmes –90% of new money to regions
- Well placed to meet changing needs
- Miss-match of donor funds both in scale and theme
- TAG focus on donors as partners and what ESMAP can do for them as “shareholders”
- Greater focus on ESMAP – the biggest programme

Some big issues

- Energy Week: How to deal with issues raised?
- Cash flow problems result in slow start and inability to start some new work –
- Three challenges for ESMAP:
 - Balance allocation between themes, regions and analytic work
 - Ensuring additionality and innovation in the ESMAP regional funds
 - Demonstrable impact – what “deliverables”

Recommendations I

1. Give Esmap time to fulfil promise
2. Level and distribution of donor contributions
3. Esmap to increase services to “shareholders”
4. Concrete steps for M and E, document impact
5. Restore 30-70 balance
6. Regional windows: prioritise Africa; demonstrate contribution to Business Plan themes
7. Slow start: fund neglected areas; SME
8. Africa: two new themes: biomass; country assessments

Recommendations - II

9. Focussed evaluations – eg comms outputs
10. ASTAE: continue evolution to poverty,
 increase funding
 ASTAE for other regions
11. TAG report on the web (with response?)

■ Thank you

■ Donor reactions?

ESMAP

- Working out the BP – major shift of funds
- Too early to judge – but universally welcomed
- New mechanisms provide ability to absorb and usefully absorb more funds ($D > S$)
- Timely outputs – the fruits of earlier investments
- Annual report – timely and more coherent, but entirely retrospective. Do donors want to know what to expect in future?
- Why is it so difficult to understand ESMAP?
 - “myriads” of activities
 - Rapid change and donor staff turn over
 - Donors to clarify what they want to know

ESMAP - 2

- Problems of Funding
 - Cash flow? Themes not yet financed
 - Think tank functions: need to re-balance
 - Slow start on Governance and Market Efficiency
 - Donor funds do not match need: scale/terms
- Three challenges for the future:
 - Allocation between themes and regions
 - Ensuring additionality and innovation
 - Demonstrable impact – what “deliverables

ASTAE

- TAG remains convince of value of ASTAE type operations.
- Good relations and division of labour between ASTAE and ESMAP regional windows – how will this evolve?
- Proven effectiveness in achieving Bank objectives in renewables (and efficiency?), why not more donors?
- A need for a similar approach in other regions, such as Africa – a question for the CG in 2007?

Africa

- Free standing African trust funds wound down and themes fully mainstreamed into operations
- Massive increase in perception of need for trust funded activities – only 61% of the expressed need has been met by ESMAP regional window.
- Two areas of potential expansion
 - Sensible management of growth of modern biomass for liquid fuels and source of employment
 - Country level multi donor activities to build capacity, issues and options, and preparation of pipeline of projects on energy and poverty

Support to Share-holders: the donors

- Funds not yet matching need
- Decisions made at a higher level – how to help CG members make the case
- Working together –a role for ESMAP?
- Simplifying processes - Paris Declaration?

Clarifying Donor needs

- Reporting: