

Highlights from the Multilateral Development Banks' Water and Power Pipelines March 2009 – May 2009

Compiled by International Rivers

Contents:

World Bank

New Proposed Projects

International Finance Corporation

New Proposed Projects

Asian Development Bank

New Proposed Projects

Inter-American Development Bank

New Proposed Projects

African Development Bank

New Proposed Projects

Note: All monetary figures are given in US dollars.

WORLD BANK

New Proposed Projects

Sources: World Bank Monthly Operational Summary

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:50004501~menuPK:63001537~pagePK:84269~piPK:60001558~theSitePK:84266,00.html>

and

Projects Portfolio

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,menuPK:51563~pagePK:95873~piPK:95910~theSitePK:40941,00.html>

Colombia

Rio Bogota Environmental Infrastructure

The objective is to transform the Rio Bogota from an environmental liability into an urban asset for the metropolitan region by improving water quality, reducing flood risk, and creating a series of multi-functional parks along the river. Project preparation is underway. Environmental Assessment Category A. \$250 million (IBRD).

Morocco

Urban and Rural Water Supply Systems

The objective is to: (i) increase access to potable water in rural areas; and ii) strengthen water supply capacity to meet growing urban and rural demands, in the provinces of Safi, El Jadida, Nador and Errachidia. Project preparation is underway. Environmental Assessment Category B. \$100 million (IBRD).

Proposed Guarantees

Nigeria

Energy Infrastructure Project (Private Sector)

The objective is to support the development and implementation of an about 1,500 MW power plant in Nigeria. IDA PRGs of about US\$ 160.0 are being considered in support of the project. The PRG would help to assist the Government in putting in place an appropriate framework for IPPs as well as the extent of Government support to be provided through the PRGs. Board presentation tentatively scheduled for second quarter FY09.

INTERNATIONAL FINANCE CORPORATION

New Proposed Projects

Source: IFC Projects Database

<http://www.ifc.org/projects>

<http://www.ifc.org/disclosure>

Chile

Hidromaule II

<http://www.ifc.org/ifcext/spiwebsite1.nsf/f451ebbe34a9a8ca85256a550073ff10/ede18066454efc7d852575b3005cf971?opendocument>

Hidroelectrica Rio Lircay S.A. (the “Company”) is a Chilean Sociedad Anonima established to develop and operate two run-of-river hydropower projects in Chile’s VII region: (i) a 6 Megawatt (MW) plant (“Mariposas”) and 10 km transmission line, and (ii) a 12.8 MW plant (“Providencia”) and 11 km transmission line (the “Project”). The Company is owned by an Italian-Chilean consortium of professionals (the “Sponsors”) with substantial experience in the hydropower generation industry.

The Mariposas and Providencia plants are the second and third in a series of run-of-river hydropower plants being developed by the Sponsors located in the same irrigation canal network. The first plant, also an IFC investment (“Hidromaule”, Project ID 25568), is comprised of a 20MW run-of-river hydropower plant (“Lircay”) with a 29 km transmission line connecting the plant to a local distribution company’s substation; it has been operating successfully since October 2008. The proposed Project is being developed under the same ownership structure and management and with the same group of key contractors as was Hidromaule.

The Company will obtain water use rights primarily through water use contracts with the Maule Canal Association (“ACM”), the well-established association that manages the canals and holds the consumptive rights to the waters from the Maule River. This was the case for the Lircay plant as well. The Mariposas and Providencia plants will be connected to the existing Lircay substation via newly constructed transmission lines which will run alongside existing canals on ACM-owned land. The Project qualifies as a Non-Conventional Renewable Energy Project as defined in Section (a) Art. 60 of the Chilean Regulation for Non-conventional Means of Generation and Small Established Means of Generation of the General Law of Electrical Services of January 17, 2006.

The total project cost is estimated at \$45.0 million. The proposed IFC investment is a \$12.75

million A Loan for IFC's own account, a \$12.75 million syndicated B Loan for the account of participants, a \$3.0 million subordinated C Loan for IFC's own account, and a \$3.0 million subordinated D Loan for the account of participants. Environmental Category B. Projected Board date: June 15, 2009.

Pakistan

Laraib Energy

<http://www.ifc.org/ifcext/spiwebsite1.nsf/f451ebbe34a9a8ca85256a550073ff10/14cf72c2e688830b8525758c005ccb6b?opendocument>

IFC is proposing an investment in Laraib Energy Limited ("LEL", the "Company"), which will develop and operate a 84 MW greenfield, run-of-river hydroelectric power generating complex known as the New Bong Escape Hydroelectric Power Complex (the "Project") on the Jhelum River in Azad Jammu and Kashmir (AJ&K), Pakistan. The Jhelum River is classified as an International Waterway and governed by the Indus Waters Treaty of 1960. All project works are located in the flood plain of the Jhelum River approximately 7 km downstream of the Mangla Dam, a major multi-purpose water storage project commissioned in 1967, and adjacent to irrigation works that were completed in 1910 (the Bong and Upper Jhelum canals). The project will not involve the construction of a dam or reservoir nor will it affect existing water management regimes. It will withdraw water released from the existing Mangla Dam and return that water to the main stem of the Jhelum River through a 7.5 km tailrace constructed in a sub-channel of the Jhelum. Water released by the Mangla Dam is managed by the Indus River System Authority.

The project was registered as a Clean Development Mechanism (CDM) project by CDM Executive Board under the United Nations Framework Convention on Climate Change on January 31, 2009. The Asian Development Bank (ADB), the Islamic Development Bank and two local commercial banks (National Bank of Pakistan and Habib Bank Limited) approved financing to the Project in 2007. At the request of the company, IFC and Proparco are planning to provide additional financing to support the project.

The total project cost is estimated to be \$217 million. IFC's proposed investment consists of an A Loan of \$35 million and an equity investment of up to \$3 million. Environmental Category B. Projected Board date: May 4, 2009.

Peru

Sociedad Agricola Drokasa S.A.

<http://www.ifc.org/ifcext/spiwebsite1.nsf/f451ebbe34a9a8ca85256a550073ff10/eb485b26303cd1d2852575af0050dd7d?opendocument>

Agrokasa was founded in 1995 and is an existing IFC client since 1999. It is the largest and most modern fresh asparagus and table grapes producer and exporter in Peru, focusing exclusively on premium export markets in the northern hemisphere. The investment program includes implementation of new areas in the northern farm and hydraulic improvements in the south. The hydraulic improvements element of the investment program includes measures to reduce stress on the Ica aquifer in southern Peru. Specifically, water from the Santa Rita site: (i) either from current wells, and/or (ii) four (4) new Ranney-type wells, (if approved by the government), and/or (iii) Ica River surface water (if approved by the government), will be conveyed in a PVC

pipeline to La Catalina farm. If the authorities allow (ii) above, four existing ground water wells servicing La Catalina, which is one of the most distressed portion of the Ica aquifer, will be closed. Ground water from these wells will be replaced by the four new Ranney-type wells in Santa Rita, an area of the aquifer that is less stressed. These Ranney-type wells will be situated in the vicinity of the Ica River to take advantage of surface water recharge of the aquifer.

The total project cost is estimated at \$17.5 million. The proposed IFC financing consists of up to a \$10 million loan to Agrokasa, which will support the expansion of the company's operations of \$10.8 million and help to appropriately match its debt profile to existing operations. Environmental Category B. Projected Board date: June 8, 2009.

Russian Federation

Kuaz Energy Eff.

<http://www.ifc.org/ifcext/spiwebsite1.nsf/f451ebbe34a9a8ca85256a550073ff10/e6999a75794906d0852575a5005763fc?opendocument>

The proposed investment would support Kuibyshevazot Open Joint Stock Company (KuAz) in implementation of its 2009-2010 energy efficiency and clean production program. The program is expected to result in significant energy savings and reduction of greenhouse gases emissions. The proposed loan will provide KuAz with long term financing that is currently not possible to secure from commercial banks or capital markets, to implement energy efficiency and clean production program. Also, as a result of the proposed investment the company would benefit from gaining further access to World Bank Group's experience in the area of energy efficiency and cleaner production, helping secure successful implementation of the project.

The total project cost is estimated at \$40.0 million. The proposed IFC investment is a senior loan of up to \$20.0 million. Environmental Category B. Projected Board date: May 31, 2009.

Senegal

Compagnie Marocco Senegalaise d' Electricite/St. Louis SAU

<http://www.ifc.org/ifcext/spiwebsite1.nsf/f451ebbe34a9a8ca85256a550073ff10/c767c872b4f2c065852575b50055dba6?opendocument>

The Project consists on the first rural electrification concession in Senegal awarded pursuant to an international bidding process ("the Project"). It will be one of IFC's first forays in rural electrification, a priority of the WBG and of IFC. The Project will be developed by Compagnie Marocco-Sénégalaise d'Electricité/ St.Louis SAU (Comasel de Saint Louis S.A.) ("the Company"), a wholly-owned subsidiary of Office National de l'Electricité (ONE), Morocco's electricity utility. ONE has requested IFC's support for the project in the form of an equity investment for up to 19.99% of the Company's equity.

The concession area comprises all villages of the Departments of St. Louis, Dagana and Podor, excluding 51 villages which have been electrified by Senelec, and is located 270 km north of Dakar, along the Senegal River, close to the border with Mauritania; it comprises 16 rural communities in an area of 19,000 km², with a population estimated at 362,000 inhabitants in 2003 and an annual growth rate of 1.7%.

Total Project costs amount to US\$21.9 million equivalent, which will be financed with a mix of

sponsor's equity, long-term debt and subsidies. The Company will receive up to US\$6.9 million in Output Based Subsidies from the WB and the GEF fund. Environmental Category B.
Projected Board date: June 15, 2009.

ASIAN DEVELOPMENT BANK

New Proposed Projects

Sources: ADB Business Opportunities, Proposed Projects

<http://www.adb.org/Projects/summaries.asp> and

ADB Projects Search, Proposed Projects

<http://www.adb.org/Business/Opportunities/prprojcs.asp>

Greater Mekong Subregion

Facilitating Regional Power Trading and Environmentally Sustainable Development of Electricity Infrastructure in the Greater Mekong Subregion

<http://www.adb.org/Projects/project.asp?id=41018>

The objectives of the proposed RETA are: (i) to establish a competitive and efficient regional power market, and (ii) to ensure proper control of environmental impacts while developing power projects for regional power interconnection and trading. The impacts would be a more reliable electricity supply, increased rural electrification, and better utilization of system capacities and resources for power production and use, while protecting the environment against excessive impacts. The expected outcomes will be an expanded, fair, and mutually beneficial cross-border power exchange among GMS countries, with stronger physical infrastructure and better institutional and regulatory capability to support this trade. The cost of the RETA is \$5.5 million comprising \$5.0 million equivalent to be financed on a grant basis by the Government of Sweden and to be administered by ADB, and in-kind support equivalent to \$500,000 by GMS countries for office space, local administrative costs, reports, etc. TA \$5 million (Sweden, Sida with LoA); TA \$2 million (TA Special Fund).

Greater Mekong Region

Flood and Drought Risk Management and Mitigation

<http://www.adb.org/Projects/project.asp?id=40190>

The RETA will improve the ability of communities in Cambodia, Lao PDR, Thailand, and Viet Nam to prepare for, respond to, and recover from the negative impact of floods and droughts. The RETA will be implemented in close collaboration with the MRC's FMMP, and will use the outputs of that program. The key activities of the RETA will be to (i) identify and prioritize flood and drought issues regionally within the LMB and within in each country through regional and national road maps developed to improve flood and drought risk management, (ii) develop a prioritized program of structural and nonstructural FRM and DRM interventions in each country, and (iii) prepare feasibility studies for proposed investment projects in Cambodia, Lao PDR and Viet Nam on the basis of the national roadmaps. The RETA will identify target beneficiaries, address regional policy and cooperation issues, analyze costs and benefits, and establish implementation arrangements for investment projects for possible funding by ADB or other financiers. Grant for GMS-LAO \$20 million (Asian Development Fund, for approval in 2010); RETA for GMS \$2 million (Japan Special Fund); Loan for GMS-CAM \$20 million (Asian Development Fund, for approval in 2010); Loan for GMS-VIE \$30 million (Asian Development Fund, for approval in 2010).

Greater Mekong Region

Mekong Water Supply and Sanitation Project

<http://www.adb.org/Projects/project.asp?id=41368>

The impact of the TA will be sustainable and improved water supply and sanitation facilities, and safer hygiene practices for the urban population of nine secondary towns in the ECs in Cambodia, Lao PDR, and Viet Nam. The outcome of the TA is an agreed-upon design for a project. The main outputs will be: (i) agreement on the water supply services level for each town, supported by feasibility studies on treatment options, the financial implications and human capacity requirements; (ii) understanding of the policy and practices of setting user charges for WSS; (iii) a short-term sanitation investment plan and a long-term sanitation strategy for each town; (iv) an endorsed institutional framework and capacity building plan for public utilities; (v) endorsed private sector capacity building plan; and (vi) agreed-upon overall investment project. Grant for LAO \$1 million (Asian Development Fund, for approval in 2010); RETA \$300,000/\$500,000/\$400,000 (Water Financing Facility-NET TF/Regional Coop & Integration Fund/Japan Special Fund); TA \$1.2 million (TA Special Fund, for approval in 2011); Loan for CAM \$1 million (Asian Development Fund, for approval in 2010); Loan for VIE \$12 million (Asian Development Fund, for approval in 2010).

Pacific Region

Promoting Renewable Energy in the Pacific

<http://www.adb.org/Projects/project.asp?id=42465>

The Midterm Review of the Pacific Strategy (2005, 2009) includes goals relating to improving rural and energy infrastructure; increased private sector participation in development; and improved natural resource management. These goals will be furthered by this proposed RETA. TA \$3 million (Clean Energy Fund – Multidonor).

INTER-AMERICAN DEVELOPMENT BANK

New Proposed Projects

Source: Projects Gateway, Projects in Preparation

<http://www.iadb.org/projects/index.cfm?language=English>

Brazil

Northwest Minas Gerais Electrification Program

<http://www.iadb.org/projects/project.cfm?id=BR-L1028&lang=en>

The operation sets out to design and to start up a state incentive's program to the investment needs of the local distributing company, in the areas of rehabilitation and expansion of basic electrical energy transmission and distribution network, in the Northwest Region of the State of Minas Gerais. The incentives will allow the viability of the necessary basic infrastructure to bring electricity to areas inhabited by low income consumers, including 10,200 rural homes of the "Luz para Todos" program. These incentives are necessary since the electrical tariffs are insufficient to remunerate the totality of the investments required in transmission, distribution, measurement and minimal internal electrical systems necessary in rural homes. Category A, 2009. Ordinary Capital Investment Loan \$10 million.

Chile

CCLIP: Energy for Isolated Communities ; SUBDERE

<http://www.iadb.org/projects/project.cfm?id=CH-L1048&lang=en>

Category A, 2010. Ordinary Capital Investment Loan \$35 million.

El Salvador

Access to Renewable Energy for Poor Communities in El Salvador (hydroelectric energy)

<http://www.iadb.org/projects/project.cfm?id=ES-S1015&lang=en>

Category A, 2009. Fund for Special Operations Nonreimbursable \$250,000.

Haiti

Support for CHPs Rehabilitation II (hydroelectric energy)

<http://www.iadb.org/projects/project.cfm?id=HA-L1038&lang=en>

Category A, 2010. GRF IDB Grant Facility \$12.5 million.

AFRICAN DEVELOPMENT BANK

New Proposed Projects

Source: ADB Business Bulletin

<http://www.afdb.org/fr/documents/project-related-procurement/afdb-business-bulletin/>

the last ADB Business Bulletin on the website is from March 2009.