



Power for Development

A Review of the World Bank Group's Experience with Private Participation in the Electricity Sector

Fernando Manibog
Rafael Dominguez
Stephan Wegner

2003
The World Bank
Washington, D.C.

International Finance Corporation
Washington, D.C.

Multilateral Investment Guarantee Agency
Washington, D.C.





Contents

vii	Acknowledgments
ix	Foreword, Prologo, Avant-Propos
xiii	Summary, Resumen, Resume Analytique
xxxv	Abbreviations and Acronyms
I	1. Overview: Private Sector Development in the Electric Power Sector
	1 The Current Sector Environment
	2 The Role of the World Bank Group in the 1990s
	3 Evaluation Objective and Framework
7	2. PSDE Objectives and Instruments
II	3. Project Results
	11 Bank Involvement: Reforming Power Sectors and Mainstreaming PSDE
	19 IFC: Supporting Private Investments in Electric Power Generation
	27 MIGA: Mitigating the Political Risk to Private Investors
31	4. Sector-Level PSDE Outcomes
	32 Promoting Private Sector Involvement
	37 Macroeconomic Balancing: Reducing the Power Sector's Burden on Public Resources
	39 Helping the Poor Directly
	40 Protecting the Environment
43	5. Cross-Cutting Findings
	43 Toward Better-Designed Interventions
	54 Toward Improving WBG Processes
57	6. Recommendations
	Annexes
	61 Annex A: Methodology and Instruments
	67 Annex B: World Bank Group PSDE Portfolio-at-a-Glance

68	Annex C:	Trends in PSDE Objectives in the Bank's Portfolio
69	Annex D:	Ratings of Freestanding Projects and Projects with PSDE Components
76	Annex E:	Analysis of the Performance of Freestanding PSDE Projects and Projects with PSDE Components
78	Annex F:	IFC Advisory Operations in Power: Standalone Advisory Operations
80	Annex G:	IFC Advisory Operations in Power: Donor-Assisted Technical Assistance Trust Funds (TATF) Operations
82	Annex Ft:	IFC's Operations in Renewable Energy and Energy Efficiency in the 1990s
		Attachment H.I: IFC's Mainstream Renewable Energy and Efficient Energy Projects, FY90-99
		Attachment H.2: IFC-Managed GEF Projects in Power, FY90-99
86	Annex I:	IFC Portfolio of Approvals in Power, FY90-01
88	Annex J:	OEG's Mini-XPSR Evaluation Framework for IFC's Electric Power Sector Investment Operations
90	Annex K:	Performance Ratings of 29 IFC Mature Power Sector Investment Operations in the 1990s
92	Annex L:	Analysis of Development Outcome Indicators of the 29 Evaluated IFC Electric Power Investment Operations
95	Annex M:	MIGA Guarantees in Power, FY99-01
100	Annex N:	World Bank Group Involvement in Renewable Energy and Energy Efficiency Projects
102	Annex O:	ASTAE-supported World Bank/GEF Alternative Energy Investment Projects, FY92-03
103	Annex P:	Technology and Policy Reform Measures in ASTAE-Supported Renewable Energy and Energy Efficiency Projects
104	Annex Q:	Environmental and Social Impacts of IFC Investment Operations in the Power Sector
108	Annex R:	World Bank Group Management Response and Management Action Record
114	Annex S:	Chairman's Summary: Committee on Development Effectiveness (CODE)