

U.S. Follow-up Comments
on Kazakhstan, Colombia, Indonesia and Ukraine Investment Plans
March, 2010

Kazakhstan

There is scope for strong transformative action and emissions reductions through CTF co-financing in Kazakhstan. However, critical to the successful implementation and replication of CTF projects is the existence of a strong and sustainable enabling environment. In particular, forthcoming project proposals must demonstrate that regulatory and legal improvements as well as energy price reforms, to include the development of a system of feed-in tariffs, are credible and that there is sufficient capacity to implement them.

Colombia

An energy efficiency component is highly warranted to reduce the need for the construction of new fossil-fuel powered generation, particularly with coal-fired power expected to rise 150% in the next 12 years. Nevertheless, the approach outlined in the IP seems somewhat unfocused. It broadly describes a strategy of public and private interventions using a wide range of financing modalities in the commercial, industrial *and* residential sectors. Forthcoming project proposals must, therefore, much more clearly articulate the objectives for a particular intervention and address some critical questions. For example, what are the relative investments required to achieve transformative scale in each of the sectors? Programs in different sectors will likely require different TA, target different customers and utilize different bank networks? How does this variation also balance with the question of scale?

Indonesia

Through CTF support, emissions reductions and transformation in both the geothermal and EE/RE sectors in Indonesia can happen. However, programs in these sectors will only be effectively implemented and successfully replicated if there is a strong and sustainable enabling environment. In particular, forthcoming project proposals must demonstrate that the geothermal tariff law has been finalized and that the regulatory capacity exists to bring it onto operation.

Ukraine

There is scope for strong transformative action and emissions reductions through CTF co-financing in Ukraine. However, critical to the successful implementation and replication of CTF projects is the existence of a strong and sustainable enabling environment. Forthcoming project proposals for RE/EE must demonstrate the successful implementation of energy price reforms, and the development of a system of feed-in tariffs. In addition, the HRSG project proposal must adequately present the rationale for concessional financing and more clearly define how this program will catalyze replication and private sector uptake of this technology.