

REPORT LAUNCH

THE ROLE OF CONCESSIONAL CLIMATE FINANCE IN ACCELERATING THE DEPLOYMENT OF OFFSHORE WIND IN EMERGING MARKETS



The Role of Concessional Finance in Accelerating the Deployment of Offshore Wind in Emerging Markets

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Key Takeaways

- Without concessional finance, offshore wind will not grow quickly in emerging markets
- To achieve scale, need US\$ 15 billion (loans and grants) to support 10 GW in 5+ countries
- Opportunity for a “Grand Bargain” – win-win for emerging markets and donor countries alike

ESMAP-IFC Offshore Wind Development Program

Objective:

- Accelerate deployment of offshore wind in emerging markets and provide support to build pipeline of bankable projects

Our work to date:

- Supported 24 country governments since the Program started in 2019
- Global reports: Key Factors, Going Global
- Three study tours with decision makers from +16 countries
- Roadmaps released in Azerbaijan, Vietnam, Philippines, Colombia, Sri Lanka (India, Türkiye, Romania, Brazil, South Africa under development)
- Ongoing regulatory, commercial, technical assistance



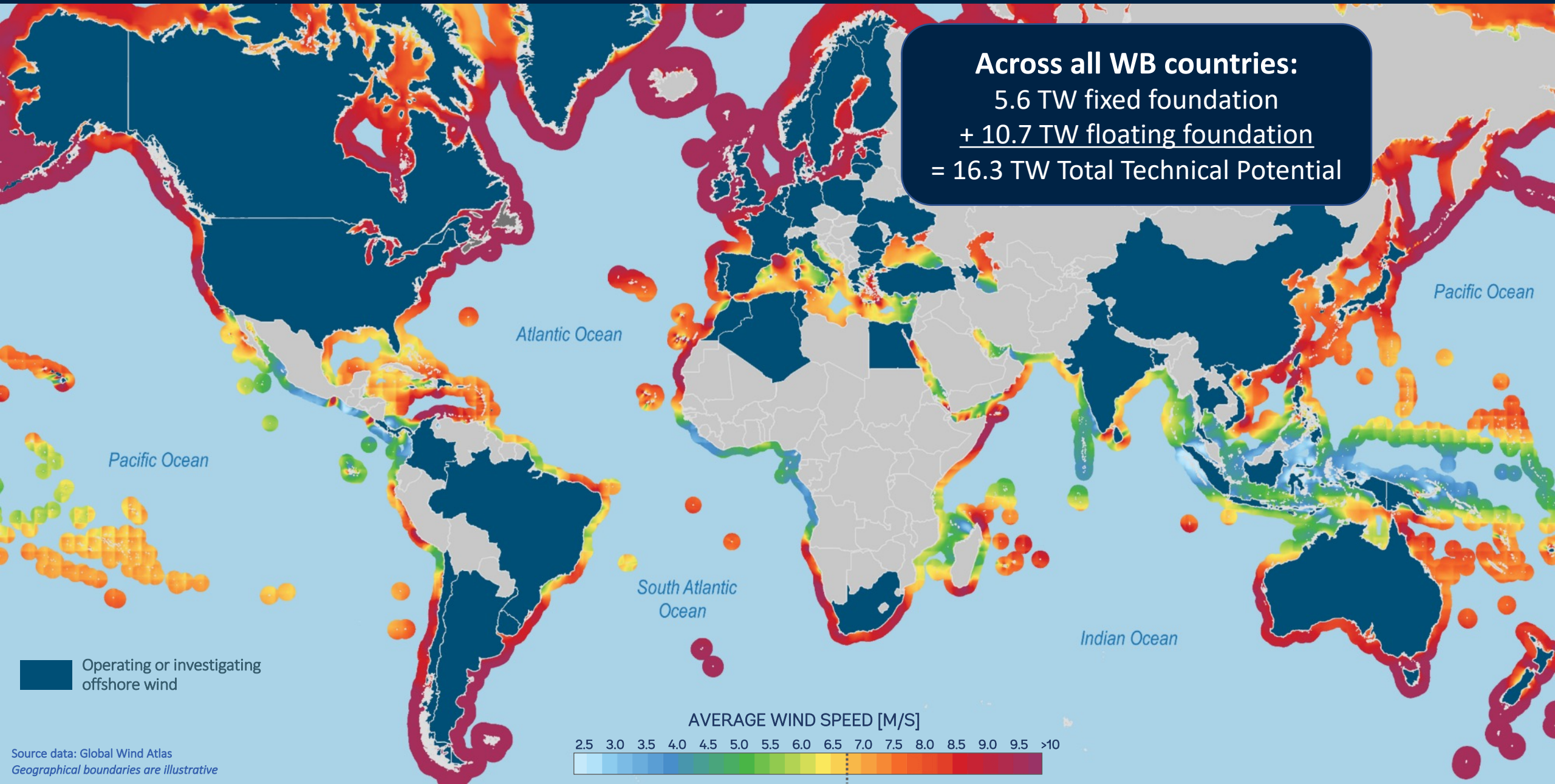
Why Offshore Wind?

- ✓ Large scale and competitive price
- ✓ Often higher, more consistent output
- ✓ Avoids land constraints
- ✓ Creates skilled jobs and economic benefits

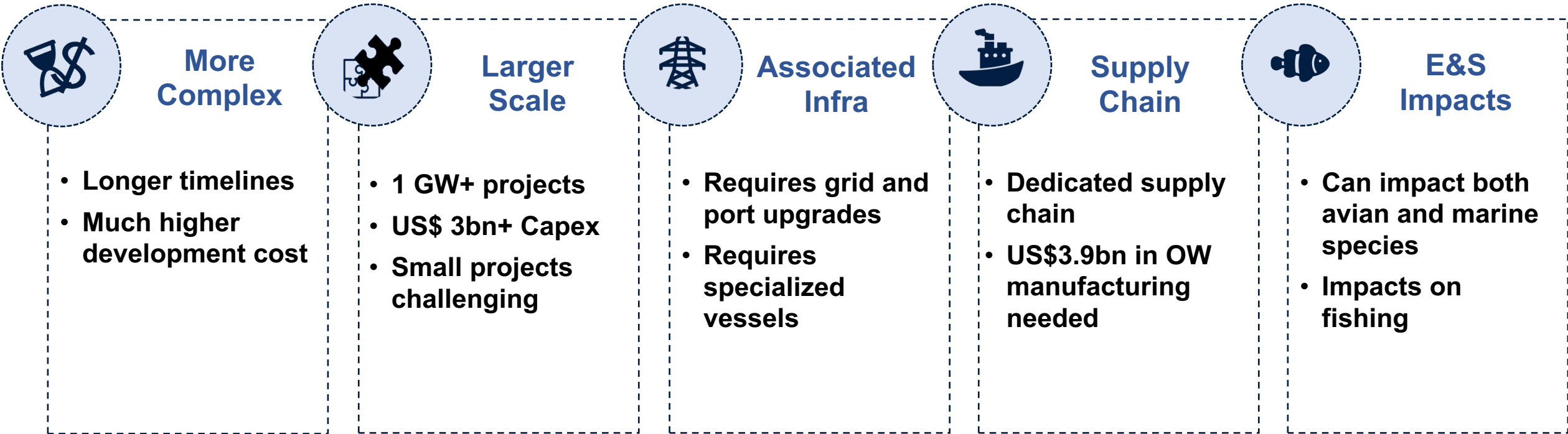


Huge Offshore Wind Potential in Developing Countries

Across all WB countries:
5.6 TW fixed foundation
+ 10.7 TW floating foundation
= 16.3 TW Total Technical Potential

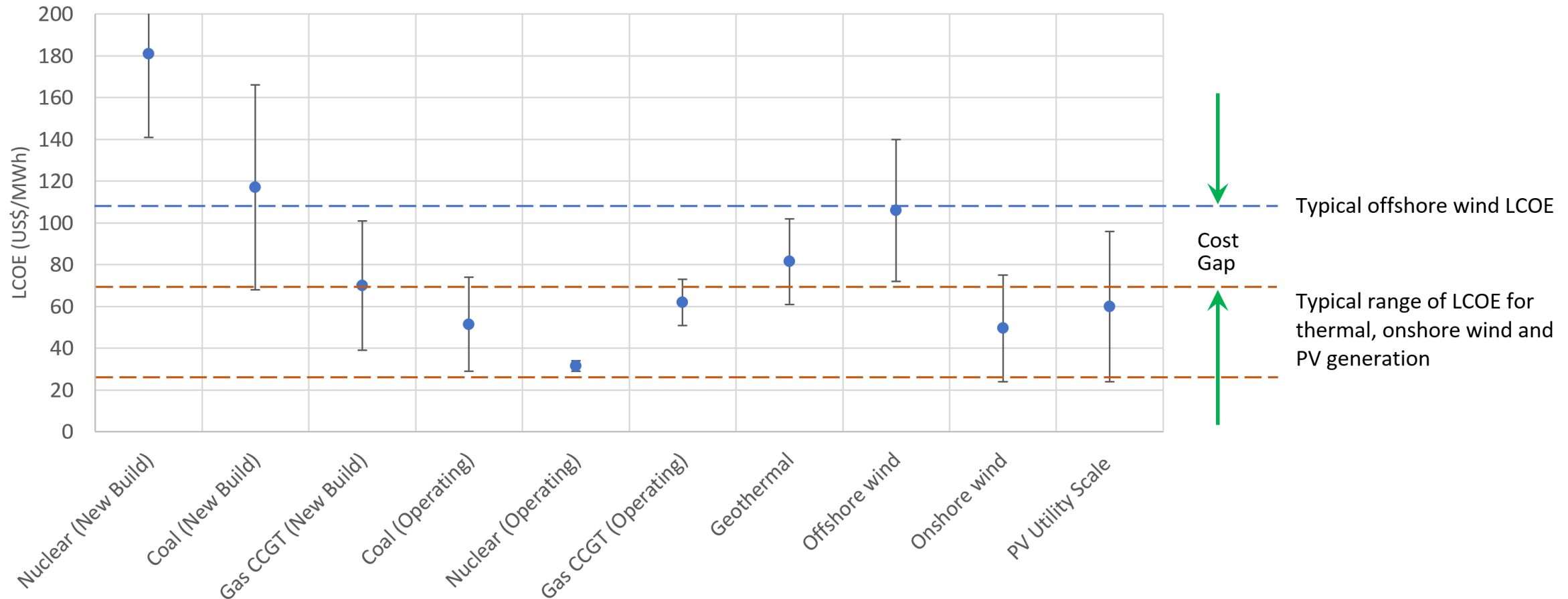


How is Offshore Wind different from Onshore Wind?



What does this mean for Emerging Markets?

- First offshore wind projects in any new market are more expensive
- Needs to be 'affordable' for a developing economy



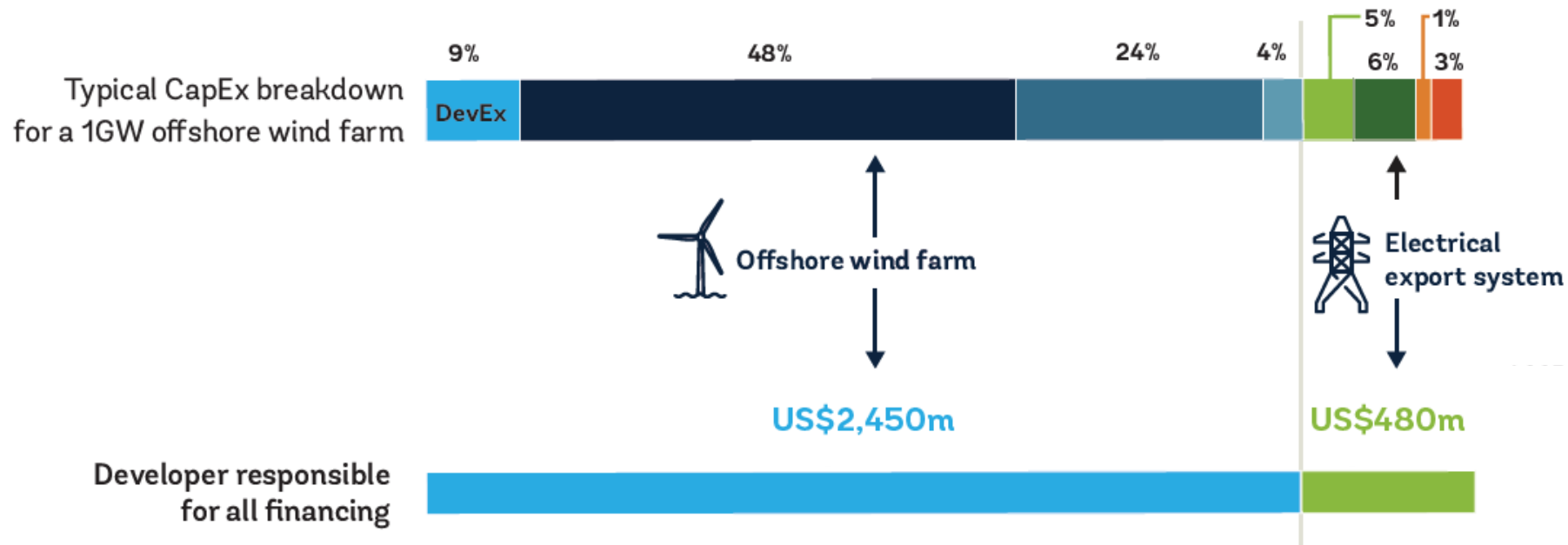
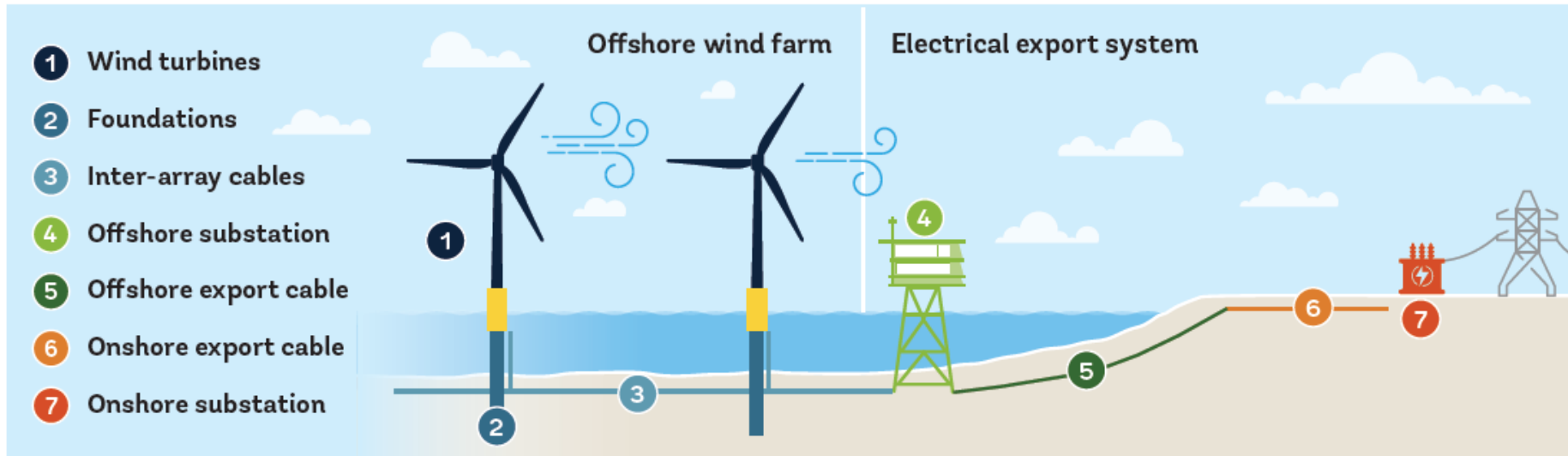


What do we mean by “Concessional Finance”?

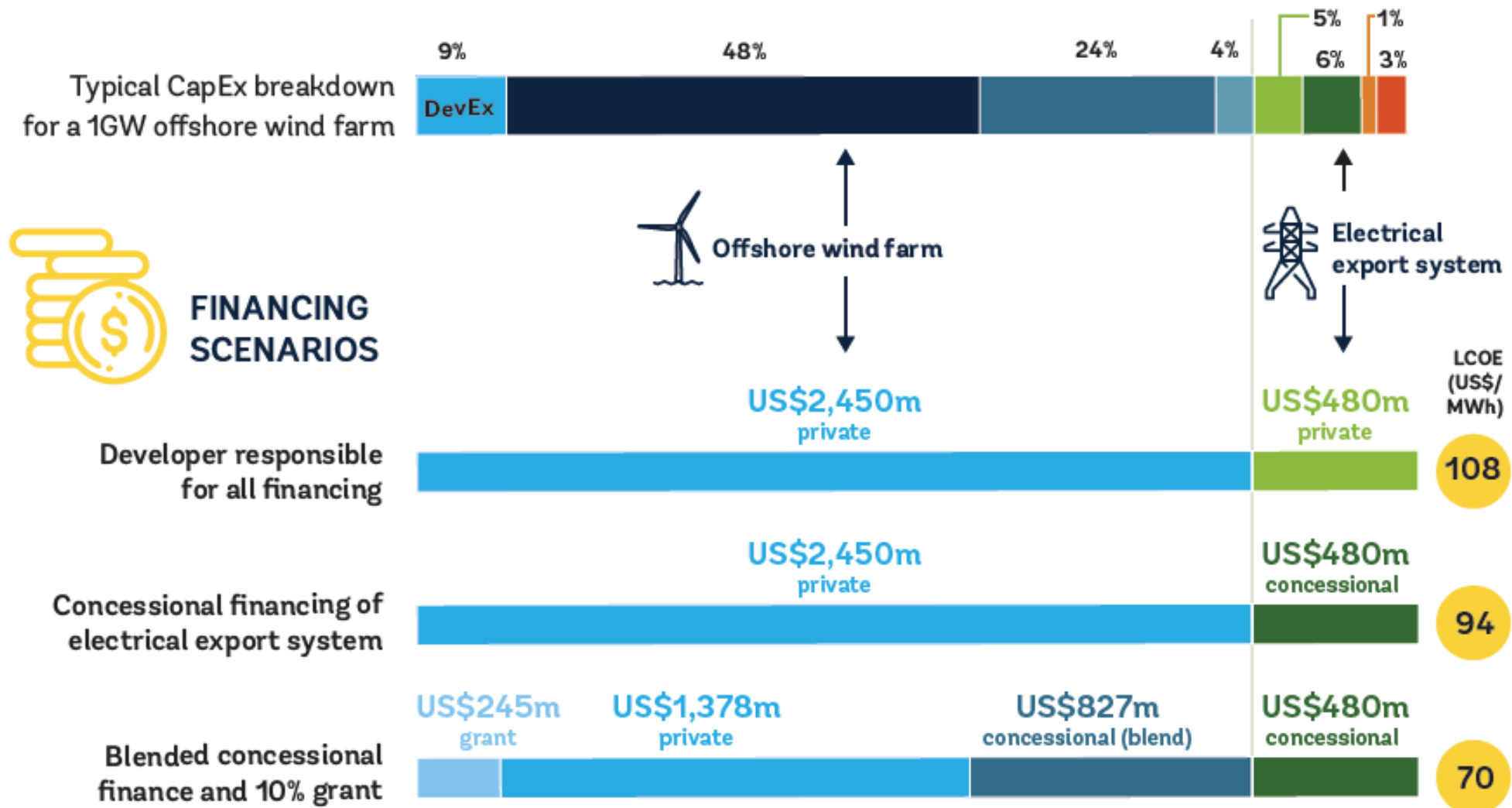
Concessional finance: finance extended on terms that are more favorable than those usually available in a market

Can include debt or grants, e.g. in the form of carbon credits

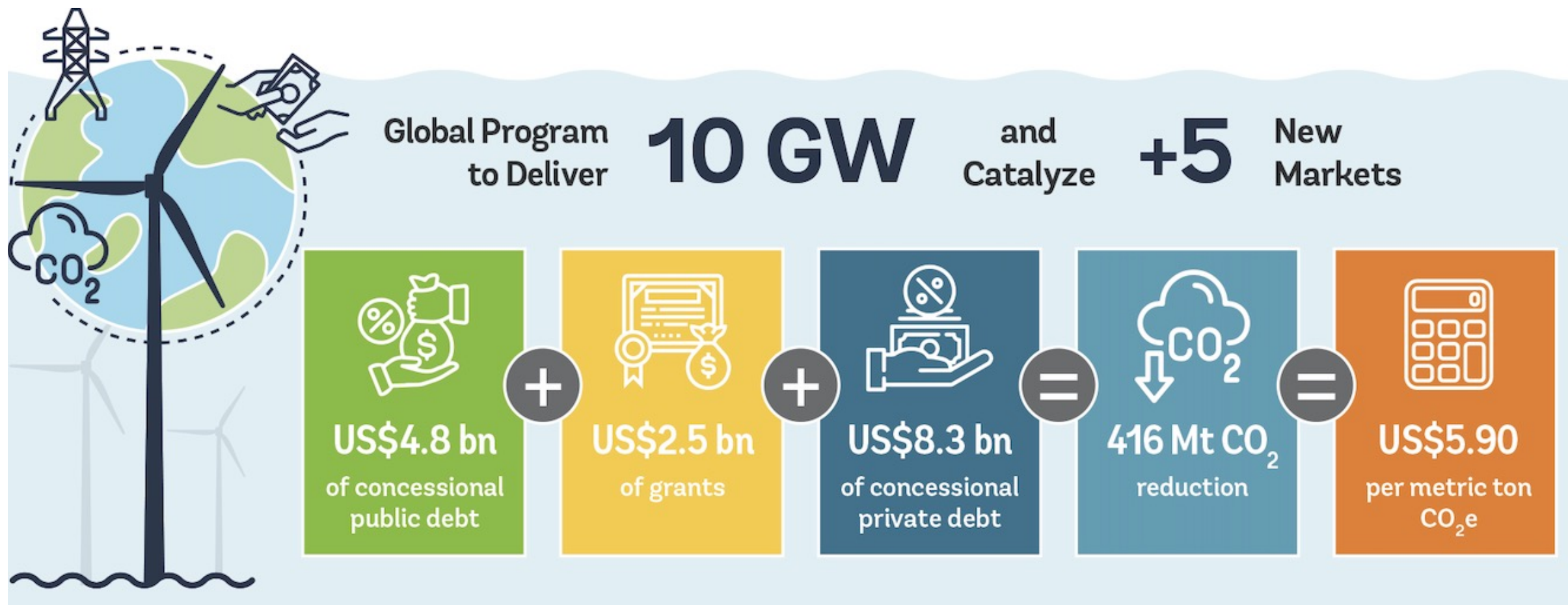
What will it take to overcome this price gap?



Impacts of concessional finance on a single project



Potential impacts of concessional finance on a global scale



Why do this?

- Offshore wind has a major role in global decarbonization
- Need to commence deployment in emerging markets and start the journey of cost and risk reduction
- Will lead to faster cost reductions for subsequent projects and reduce need for public support as the market matures
- Both public and private support will be required; close partnership between government and industry needed





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Thank You!

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Download the
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 www.esmap.org/offshore-wind/