

A Knowledge Foundation for Support to the South Asia Energy Sector

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SOUTH ASIA REGIONAL ENERGY STUDIES SERIES (SARESS)

POWER SECTOR CONTEXT IN THE SOUTH ASIA REGION

- ✘ **Where are we now?** high levels of persistent poverty along with large access gaps and significant shortages of power
- ✘ **Challenge:** large and unsustainable fiscal burden, threatening progress towards growth and poverty alleviation objectives
- ✘ **Way Forward:** *follow well-defined strategies that provide a credible transition from present-day shortages to sustainable and financially solvent, stable sector performance*

WHAT IS SARESS?

- ✘ SARESS is a flagship program of studies and investigations to underpin practical decision-making in governments and at the Bank. SARESS proposes to undertake **deeper examination of key policy and strategic questions facing the power sectors of SAR countries**, through preparation of a series of analytical background papers and more formal papers classified as “Non Lending Technical Assistance” (NLTA).
- ✘ SARESS is funded by ESMAP and has leveraged additional resources from three more funding partners; ESMAP’s contribution is \$150,000 out of a total of \$515,000 that was raised in FY11
- ✘ The findings from SARESS will **inform the Bank’s policy dialogue and lending program in SAR in FY11 and beyond**, and are intended to also strengthen the client’s policy-making framework and internal policy deliberations

SARESS AND THE LINK TO THE WORLD BANK'S NEW CORPORATE ENERGY STRATEGY

- ✘ SARESS outputs will support the objectives of the new Bank-wide Energy Strategy that is under development:

Objectives of the New WB Energy Strategy:

(i) Improving Access and Reliability of Energy Supply, and

(ii) Facilitating the shift to a more environmentally sustainable energy development path

improving the operational and financial performance of the energy sector

strengthening governance to improve the contribution of energy to equitable economic development

AREAS OF FOCUS UNDER SARESS

<i>Improving Operational and Financial Performance of the Energy Sector</i>	<i>Strengthening Governance to Improve the contribution of energy to equitable economic development</i>
Least Cost Generation Options	Rural Access and development impact of electrification
Reducing the Fiscal Burden of the Power Sector	Regulatory requirements and other institutional gaps
Investment in Clean Energy and Energy Conservation	

STATUS OF SARESS – PROGRESS FROM SEPTEMBER 2010 TO MARCH 2011

- ✘ “The India Cluster”: Five Background Papers for India which are currently in Draft Stage
- ✘ Skill Gaps in the Indian Power Sector
- ✘ Regulation of Renewable Energy
- ✘ Distribution Reforms—Way Forward
- ✘ Consumer Survey on Selected Segregated Rural Feeders; and
- ✘ Evolution of Public-Private-Partnership in the Indian electricity sector

SARESS PROGRESS (CONT.)

- ✘ Work is about to start on the following two SARESS background papers (consultant procurement underway):
 - + Cost of Renewable Energy in Nepal, Bangladesh and Three Indian States
 - + Distributional Impact of Electricity Tariff Increases in Nepal and Bangladesh

SARESS PROGRESS (CONT.)

- ✘ The following Formal NLTA deliverables, which will be peer reviewed and formally delivered to government, are also underway:
- ✘ **NEPAL** --Hydropower Study--Use of Tunnel Boring Machines in the Himalayas (September 2011)
- ✘ **INDIA** – Rural Feeder Segregation Study (October 2011)
- ✘ **BANGLADESH**—Least Cost Generation Options Study (July 2011)

PROPOSED WAY FORWARD IN FY 12

SARESS Funding is sought for the following:

- ✘ Analysis of energy sector issues in Pakistan, Afghanistan, Sri Lanka, India-Bhutan
- ✘ Energy Efficiency (various countries and sectors)
- ✘ Innovative Financing for Renewable Energy Generation
- ✘ Energy use in South Asian Agriculture (diesel and electricity)
- ✘ **Operational Linkages**—Clean Energy Fund in India, Regional APL in other countries, possible project to support energy efficiency

CONCLUSION....

Thank you for your support in FY11!

Comments/Discussion....