

# World Bank Group: General Overview

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# World Bank Group

- Owned by **184** member countries, world's **largest** source of development assistance: **US\$25 billion** in new lending in FY07<sup>a/</sup>
- Lends to Governments and private sector (IFC), *not* to individuals, provides investment guarantees (MIGA)
- Partnership strategies **tailored** to country needs
- Offers a **mix** of funds and knowledge:
  - Investment lending: physical and social infrastructure
  - Development Policy lending: policy and institutional reforms
  - Analytical and Advisory work: background studies and expertise on a variety of economic, social and sector issues
  - IFC: loans, equity, structured finance, risk management and advisory services to build the private sector
  - MIGA: investment guarantees against selected political risks

# World Bank Structure

World Bank Group

International Bank for Reconstruction and Development

International Development Association

International Finance Corporation

Multilateral Investment Guarantee Agency

International Center For the Settlement of Investment Disputes



# World Bank Group's Organization

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## Board of Governors

184 Member Countries appoint their Governors

## Executive Directors

Governors delegate specific duties to Executive Directors

## Office of the President

President of the World Bank reports to the Board of Executive Directors

# World Bank (IBRD) lending

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- The Government counterparts and the Bank *jointly* define objectives, components and outputs
- After a project is approved and becomes effective, the **implementing agencies** begin **implementation**
- The Bank, *jointly* with the implementing agencies, monitors implementation and evaluates results

But the World Bank is not just about lending:

- **Knowledge** is a cornerstone of Bank assistance
- **Research** underpins all Bank projects
- **Analysis** and **advice** to clients helps create lasting policy improvements



# World Bank Group Partners

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- Client country governments
- Civil society representatives
- Private sector
- Multilateral development banks
- Bilateral donors
- United Nations agencies

# Europe & Central Asia Region (ECA)

The World Bank Group currently covers 28 countries in the Region, plus Kosovo



# World Bank Group in Turkey

- Current IBRD portfolio of US\$5.1 billion, **23%** with an **environmental** focus (US\$1.2 billion)
- Current IFC portfolio of US\$ 1.5 billion (US\$330 million Equity, US\$1.2 billion Loans)
- New strategy being finalized for 2008-11: based on Turkey's **9<sup>th</sup> Development Plan**
- Focus is on **three main areas**:
  - Improved Competitiveness and Employment Opportunities
  - Equitable Human and Social Development
  - Efficient Provision of High Quality Public Services



# Turkey's Environmental Compliance

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- Enhancing environmental standards and protecting the environment is part of Turkey's long-term program, as outlined in the 9<sup>th</sup> Development Plan.
  - Complying with the EU environmental directives will also be a major challenge for Turkey, and will require **significant investments** (€ 23 billion needed in just the water supply and wastewater sector).

# World Bank Group's Environment Program in Turkey

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- **Sustainable Natural Resource Management**
- Anatolia Watershed – partly GEF (US\$27 million):
  - Introducing **farming practices** which will **reduce the discharge** of agricultural nutrients into surface and ground water in watersheds draining into the Black Sea in four provinces.
  - Natural resource management microcatchments plans launched in **30 villages** - Community-based protected area management plans under implementation in **4 national parks**
- Biodiversity – GEF (US\$8.2 million):
  - A strategy for replication of participatory and sustainable management in four protected areas was **developed**
  - Lessons are being **disseminated** at national level

# World Bank Group's Environment Program in Turkey

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## ■ Energy

- Electricity Generation Project (US\$ 336 million):
  - Finances the **rehabilitation** of Afşin-Elbistan A Thermal Power Plant, with the aim of **reducing emission levels, improve reliability/availability, recover the plant's capability** to achieve full-load performance.
- Renewable Energy (US\$ 201 million):
  - Supports the increase of **privately owned and operated** power generation from renewable sources - TSKB and TKB acting as financial intermediaries
  - Cumulative electricity production from privately owned renewable generations facilities reached **3080 GWh by June 2007**, vs. a **target of 2590 GWh** in 2010

# World Bank Group's Environment Program in Turkey

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## ■ Waste Management

- Municipal Services Project (US\$275 million):
  - Supports Turkey's intent to meet EU's environmental directive **on water, urban wastewater, and solid waste management**. It also supports Iler Bank's institutional strengthening, in line with the government's plan to use the institution as an implementing agency for upcoming EU programs.
- Istanbul Municipal Infrastructure Project (US\$322 million):
  - Targets priority investments in the area of **environmental management** with the closure of existing illegal landfills and rehabilitation of creeks.

# World Bank Group's Environment Program in Turkey

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## ■ Air Quality

- ODS-Phaseout 2 - Montreal Protocol (US\$20 million):
  - National Ozone Policy and regulatory framework **adopted**
  - By end-2006, Turkey phased-out a cumulative total of **4,413 MT ODP**, **81%** of which attributable to **PODS 1 and 2**.
  - **PODS-2** accounted for phasing out about **3,800 tons** of ODS.

# IFC's Environmental Program in Turkey

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## ■ Renewable Energy

- Since 1990 IFC has financed >US\$ 1.3 billion in renewable energy projects - hydro, wind, biomass and geothermal

## ■ Energy Efficiency

- **Corporate:** Loans/equity with a min. 50% of the EE investment component
- **Municipal:** Loans to municipalities or ESCOs with municipal contracts for EE improvements

## ■ Carbon Finance Opportunities

- IFC is managing a Dutch government facility to purchase Emission Reduction Units (ERs)
- The Carbon Finance Unit at IFC has obtained a **methodology** for IFC credit enhancing ERs to be able to extract premium prices in the global market