Accelerating Private Investment in Large-Scale Wind Energy Projects
The World Bank Group:
A One-Stop Shop for Wind Power

Scaling Wind is a comprehensive resource for governments and private investors seeking to mobilize privately-funded wind projects. IFC has deep institutional experience in developing bankable power projects, spanning 10 years and 66 wind projects around the world representing over 4,800 MW of new capacity. IFC also provides advisory services to governments on structuring wind energy public-private partnerships (PPPs) and implementing competitive tender processes. The World Bank offers financing and advisory services to client countries on matters such as sustainability-linked regulations, private sector investments, and partial risk guarantees. The Multilateral Investment Guarantee Agency (MIGA) provides a range of political risk insurance products to attract private capital to emerging markets.

The Challenge

Wind energy has the potential to provide clean, reliable, cost-competitive power in emerging markets around the world. Wind can also be an excellent complement to solar energy, especially when wind output is strongest in the mornings and evenings during peak demand. Globally, the total potential of wind power generation is estimated to be more than 500 times current wind production levels. Despite this, many countries still face major challenges in initiating new wind projects. Challenges faced in planning wind projects include:

ENVIRONMENTAL AND SOCIAL RISKS: Turbines and power lines pose environmental risks, especially for wildlife such as birds and bats. Navigating land acquisition and compensation issues can present additional social risks.

LONGER PROJECT DEVELOPMENT TIMES: Compared to solar, wind energy projects require longer on-site measurements, one-year biodiversity surveys to capture all migration patterns, and more complex geotechnical and civil works.

Other challenges include:

GRID INTEGRATION AND STABILITY: Due to the variable nature of wind resource, integrating new wind installations into existing power grids can pose challenges.

LACK OF SCALE AND COMPETITION: Lack of market scale can result in individually negotiated power purchase agreements, which tend to attract smaller, less-qualified developers. Limited levels of competition lead to higher tariffs.

HIGH PERCEIVED RISK: Poor creditworthiness among utility off-takers and perceived political risks increase the cost of capital.

WEAK ENABLING ENVIRONMENT: Unclear regulations can lead to lengthy permitting processes. The lack of a bankable framework can deter investors.
Scaling Wind, a World Bank Group program, works to help clients in emerging markets attract investments in utility-scale wind farms. Scaling Wind offers advisory support, financing, and risk-reduction tools for governments and private investors. By deploying early-stage environmental and social (E&S) screening, market-tested standard documents, a transparent tendering process, and offers of financing and credit enhancement, the Scaling Wind program shortens the time from project development to financial close.

The approach includes:

**EARLY-STAGE ENVIRONMENTAL AND SOCIAL SCREENING** to ensure the selection of sites that have the highest technical potential but lowest E&S risk.

**COMPREHENSIVE ADVISORY SUPPORT** for governments as they prepare and develop sites for tender.

**SIMPLE AND RAPID OPEN TENDER PROCESSES**, ensuring strong competition from committed industry players.

**STANDARDIZED, BALANCED PROJECT DOCUMENTS**, eliminating drafting and negotiation delays.

**COMPETITIVE FINANCING AND INSURANCE** attached to the tender and available to all bidders.

**RISK MANAGEMENT AND CREDIT ENHANCEMENT**, lowering financing costs and delivering competitive tariffs.

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### The Benefits

**Government**

**DE-RISKING.** Provision of early-stage assessment and advisory support helps reduce investment risks.

**CUSTOMIZED PROCESS AND SPEED.** Templates for all processes and documents enable rapid preparation, tendering and financial close. These can be customized to specific countries and contexts.

**CERTAINTY.** The use of balanced, bankable documents guarantees pre-approved financing for suitable bidders.

**LOW COSTS.** Scaling Wind tenders attract competition among top-tier investors and provide competitive fixed-rate tariffs.

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**Project Developers**

**MARKET CREATION.** Consistent tendering and bankable documents across multiple countries expand regional opportunities for developers.

**REDUCED DEVELOPMENT TIME AND COSTS.** Well-supported project preparation, due diligence, bankable documents and pre-approved financing reduce both time and costs.

**LEVEL PLAYING FIELD.** A clear and transparent award process allows developers and investors to compete based on tariff rates and long-term commitment.

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**International Donors and Development Partners**

**REACH.** Scaling Wind provides support for low-income, fragile, and conflict-affected states in their search for energy security and sustainable growth.

**LEVERAGE.** Donor support leverages significant private capital through transparent and competitive tenders.

**IMPACT.** Rapid delivery of low-cost electricity helps developing countries meet urgent needs.
**The Process**

**PHASE 0**
4–6 months
Preliminary Screening

**PHASES 1–2**
18–24 months
Project & Bid Prep
Tender Process & Award

**PHASE 3**
10–12 months
Financial Close

**PHASE 4**
18–24 months
Construction & Operation

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**PRELIMINARY SCREENING**
- Desktop review and site visits to identify suitable sites based on integrated technical and E&S criteria. These factors include grid integration, geotechnical conditions, logistical considerations, and high-level E&S screening focused on social and biodiversity risks.

**PROJECT PREPARATION**
- Technical due diligence, including 12-month wind measurement
- E&S scoping, including 12-month bird and bat studies
- Insurance and tax due diligence
- Financial analysis

**FINANCIAL CLOSE**
- Finalization of loan agreements, insurance, and risk management
- Final project approvals
- Finalization of equipment, construction, and operation contracts
- Fulfillment of all conditions precedent

**BID PREPARATION**
- Tender and project document preparation
- World Bank Group consultations for offers of IFC financing, World Bank credit enhancement, MIGA political risk insurance

**TENDER PROCESS & AWARD**
- Request for qualification
- Bidder consultation
- Request for proposals
- Proposal review and award
- Commercial close

**CONSTRUCTION & OPERATION**
- Construction
- Commissioning
- Operation

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**PROGRAM PARTNER**
Federal Ministry for Economic Cooperation and Development

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