

# POWER

**SINCE 1990, 1.9 BILLION PEOPLE GAINED ACCESS TO ELECTRICITY WORLDWIDE**

Access to clean, sustainable energy is critical for improving health and livelihoods of billions of people around the world. IFC is helping countries ensure sustainable energy supplies, improve quality and reliability of electricity services, and liberalize and introduce private sector participation in emerging power markets.

**\$6.7**  
BILLION

In private sector investment in emerging markets has been mobilized through IFC's PPP projects.

**\$1.7**  
BILLION

Fiscal savings and benefits for governments.

**3.7**  
GW

The amount of power generated through IFC's PPPs.

**35**  
MILLION

People have access to improved electricity services through our projects.

**In partnership with** Australia, Austria, Brazil, Canada, France, Ireland, Italy, Japan, Kuwait, Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States, the Public-Private Infrastructure Advisory Facility, the Global Partnership on Output-Based Aid, the Private Infrastructure Development Group, the African Development Bank, the Asian Development Bank, the Brazilian Development Bank, the Caribbean Development Bank, the Central American Bank for Economic Integration, the European Investment Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Infrastructure Consortium for Africa, and the Islamic Development Bank.

## MYANMAR: MYINGYAN IPP 2015

**Challenge:** With only a third of Myanmar's 50 million people able to access electricity, the country has one of the lowest electrification rates in the world. Many rural communities have almost no electricity at all.

**Solution:** IFC helped structure Myanmar's first competitively tendered independent power project (IPP), introducing global standards to infrastructure projects in Myanmar, and helping the government move closer to its goal of ensuring universal access to affordable, reliable electricity by 2030.

**Results:** The bidding process set a new benchmark for power tariffs in the country. The 225MW gas-fired power plant will be Myanmar's largest power plant, generate \$300 million in private investment, and provide over 1.5 million people with more reliable electricity.

## KOSOVO: ELECTRICITY DISTRIBUTION 2012

**Challenge:** The publicly-owned Kosovo Electricity Distribution and Supply Company (KEDS) suffered from outdated generation and distribution infrastructure. This led to high technical losses, unreliable electricity supply, and dependence on imports, resulting in over €20 million in annual losses.

**Solution:** IFC helped design a PPP to attract a private investor who could bring the necessary investment (€300 million) and turn around KEDS' finances and operation.

**Results:** The winning consortium invested €390 million and reduced technical and commercial losses. The privatization generated €47 million per year in fiscal savings. Fewer power outages mean 1.7 million people are enjoying reliable electricity which improves living standards and economic development.

## LIBERIA: LIBERIA ELECTRICITY CORP. 2010

**Challenge:** In 2003, after a 14-year civil war, the power infrastructure in Liberia's capital, Monrovia, was completely destroyed, including Liberia's main source of electricity – the Mount Coffee hydropower plant. The Liberia Electricity Corporation (LEC) needed help to get the nation's power system running again.

**Solution:** IFC worked with the government and donors to design a performance-based 5-year management contract to rebuild Monrovia's power network, train LEC's workforce, and improve its financial sustainability.

**Results:** Connections increased from 2,000 to 37,000, providing over 165,000 Monrovia residents with electricity for the first time since the war. The contract was also amended to rebuild the 78MW Mount Coffee plant, and installed generation capacity is expected to grow from 20MW to 100MW.

## PHILIPPINES: RURAL ELECTRIFICATION 2007

**Challenge:** The Philippines has hundreds of islands, many not connected to the national power grid, but served by the state-owned National Power Corporation's Small Power Utility Group. For many remote islands, service was unreliable and expensive, or simply not available.

**Solution:** IFC helped the government structure two innovative power-supply agreements for four islands: Marinduque, Romblon, Tablas, and Masbate.

**Results:** The project brought \$55 million in private sector investment in new power generation, reduced generation costs by 40%, added 38 MW of new power, and replaced existing erratic service with reliable, round-the-clock electricity. The project now provides more than 460,000 people with power for the first time and is helping save valuable public funds.

## GABON: SEEG 1997

**Challenge:** By the mid-1990s, only 40% of Gabon's citizens had an electricity connection, 66% were connected to water services, and Société d'Énergie et d'Eau du Gabon (SEEG), the national power and water utility, had accumulated over \$100 million in losses.

**Solution:** IFC helped structure the sale of shares for SEEG and designed a 20-year concession for an operator to expand coverage, improve the quality of services, reduce tariffs, and make SEEG financially stable.

**Results:** The winning bidder committed to reduce tariffs by 17.5%. By 2014, electricity connections had increased 188%, water connections 212%, and over \$135 million had been invested in Gabon's power and water systems. Under the contract, the operator also sold 44% of SEEG's shares to the people of Gabon through the nation's first IPO.

## PERU: ELECTROLIMA 1995

**Challenge:** Peru suffered from severe power shortage in the 1990s, leading to major sector reforms. The government hoped to privatize Electrolima, Peru's second largest electricity generator and the capital, Lima's, largest power distributor.

**Solution:** IFC helped restructure Electrolima into one generation and two distribution companies, with each distribution company covering half of Lima. The transaction involved the sale of 60% of the shares of each company, with 10% reserved for employees, and 30% sold to local and international investors.

**Results:** The three companies sold for over \$800 million, and over 130,000 Peruvians became shareholders. Power losses were cut in half by both distribution companies, connections more than doubled, power generation increased by 100MW, and hundreds of millions were invested in distribution networks.