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# Qualitative Testing and Framework Development

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*Research Collaborative, Work Stream 2, Part B – 13 November, 2013*



# Scope

## Gaps

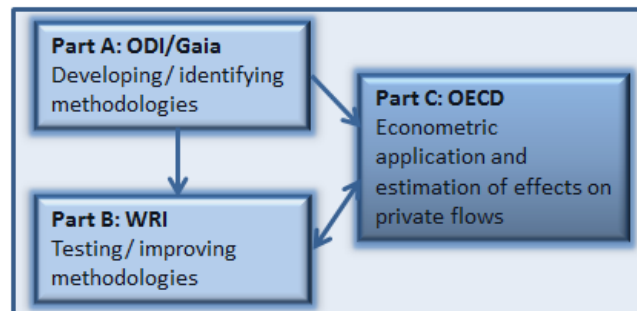
- Several existing methodologies used by various governments and financial institutions
- Often only private \$ to public \$ in a project considered
- Various factors shape a market

## Aims

- Identify methodological gaps and inaccuracies in current methodologies
- Identify causal factors that are not being considered
  - Qualitative case testing of existing methodologies on a variety of public interventions

## Outcome

- Framework to derive new/improve existing methodologies based on test case results



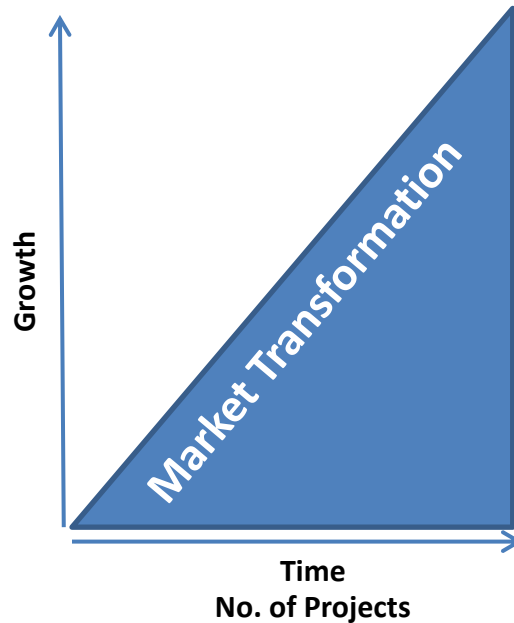
# Approach

Angle 1

Angle 2

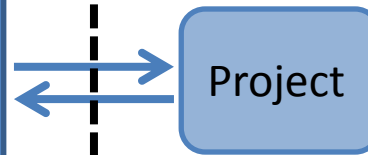
## Market-level Interventions

Policies  
Regulations, Incentives  
Demonstration projects  
Technical assistance  
Macroeconomic support  
Etc.



## Project-level Interventions

Instruments  
Project assistance  
Etc.



# Cases



Country	Sector	Status
Brazil	Transport	Ongoing
Cambodia	Forestry	Ongoing
Fiji/Zambia	Adaptation	Scoping
Kenya	Geothermal power	Ongoing
India	Solar power	Ongoing
Mexico	Wind power	Draft completed
South Africa	Solar power	To be commenced
Thailand	Energy efficiency	To be commenced

# Where We Are

- Finalize selection criteria
  - Case study identification
    - Case study determination
      - Case development
        - Testing of methodologies
          - Framework development
            - Writing of report

*Summer 2014*



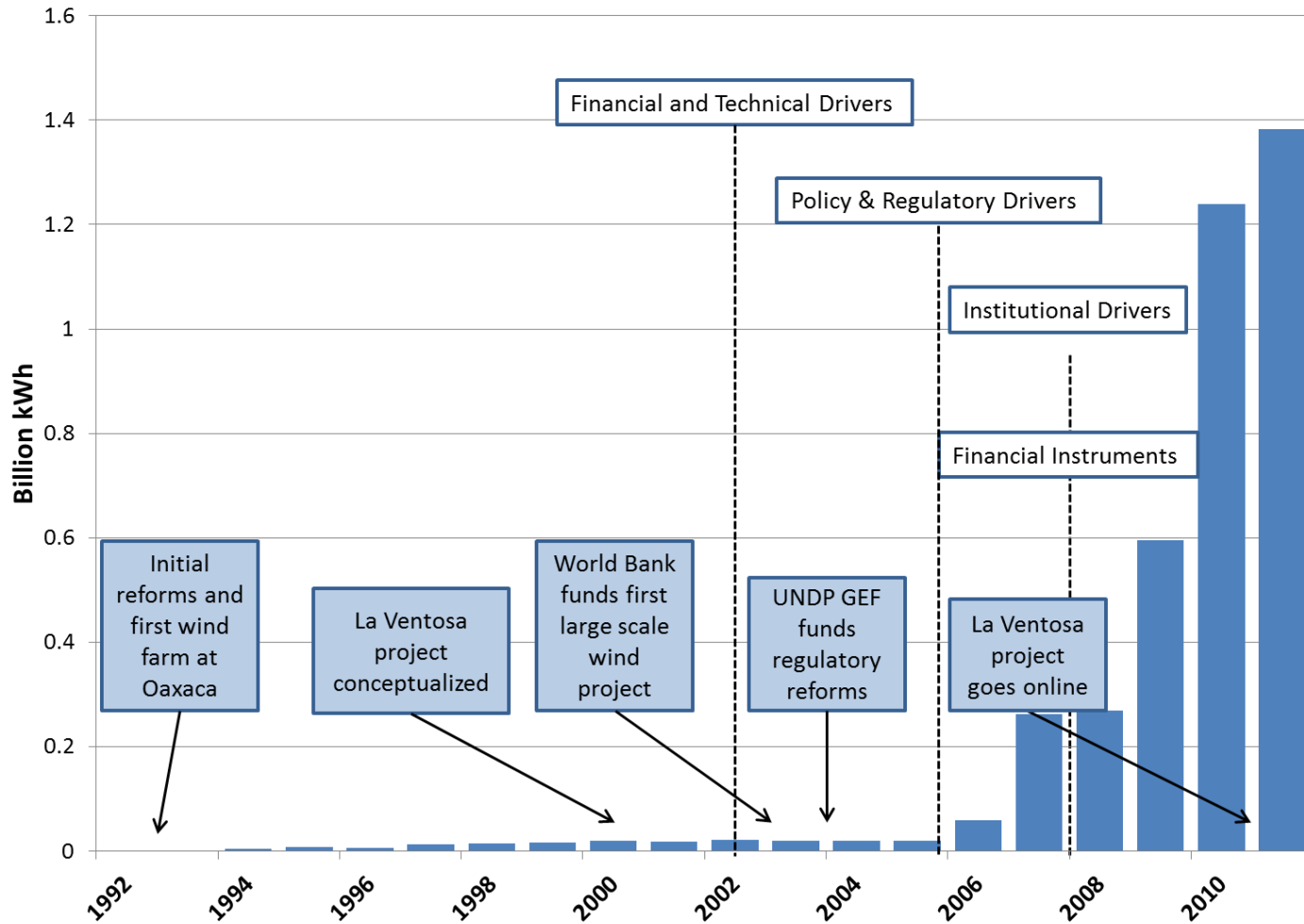
# Where We Are

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*Summer 2014*



# Case - Wind Power in Mexico



# Case - Wind Power in Mexico (contd.)

Types of Interventions	Domestic Support	International Support
Demonstration projects	CFE	WBG, UNDP, GEF, IDB, Proparco, DEG
Wheeling fees	CRE	-
Grid connectivity and transmission infrastructure	CRE, SENER	-
Renewable energy targets	GoM	GEF
Resource mapping	-	USAID
Training and assistance	-	UNDP, GEF, WBG
Fiscal and economic incentives	-	WBG, GEF
Regulatory framework	CRE	-

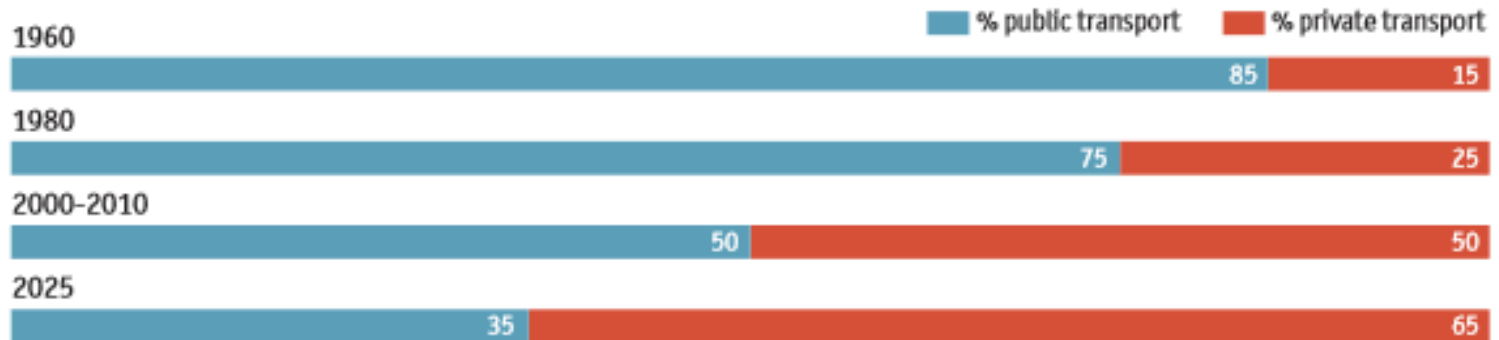
Intervention	Internationally Supported			Unsupported		
	Market Level		Project Level	Market Level		Project Level
	Policy/Institutional	Industry/Financial		Policy/Institutional	Industry/Financial	
Financing	x	-	xx	xxxxx	xxx	xx
Tech Assistance	xx	xx	-	xxxxx		
De-risking	-	-	-	xxxxx		



# Case - Metro Systems in Brazil

## Public transport loses ground in Brazil's metro areas

Estimated share of public transport trips



\* Evening peak hours: 5pm-8pm

Source: CET-SP (Traffic Engineering Company)

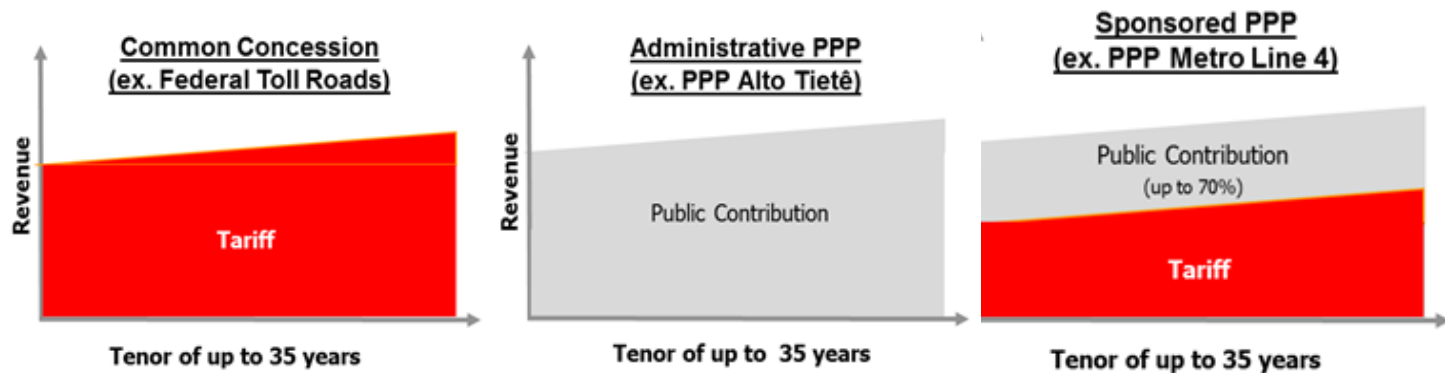
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- **1990:** Oversight of urban rail systems transferred from federal to local level
- **2004:** Public-Private Partnership Law
- **2006-2014:** Massive infrastructure investment programs (PAC, WC2014, etc.)
- **2010:** Firm to study concession feasibility (EBP) created by Brazilian banks.

# Case - Metro Systems in Brazil (contd.)

## Project: Metro Line 4 in São Paulo

- 30-year sponsored concession to operate 18km of underground urban rail



## Highlights

- First successful sponsored concession in Brazil; replication of model to Line 6
- National and international support from: IDB, WBG, JBIC, KfW
- Market-level barriers: political support, institutional capacity, and financial guarantees

# Key Initial Takeaways

- Public intervention and international support is critical to transforming a market
- Much support takes place at policy level, often through non-financial instruments
- Such support can play a significant role in incentivizing private investments

# Merci

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For further information on WRI's Climate Finance work please refer to:

<http://www.wri.org/our-work/project/climate-finance>