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## East Africa Could Match Japan in Ease of Doing Business, Finds IFC-World Bank Report

International Finance Corporation (IFC) and the World Bank launched a report on August 17<sup>th</sup> stating that if the best of East African regulations and procedures were implemented across the board, the business regulatory environment in East Africa, as measured by the report, would be comparable to that in Japan.

The report, *Doing Business in the East African Community 2011*, draws on data from the annual global Doing Business study and takes a detailed look at business regulations in Burundi, Kenya, Rwanda, Tanzania, and Uganda. The report states that East Africa could benefit from sharing good practices in business regulation as measured by Doing Business.

In the past five years all East African Community economies made it easier to do business. The average ranking for those countries is 117 out of 183 economies overall in *Doing Business 2011*. Kenya has some of the most business-friendly regulations for dealing with construction permits. Ugandan courts resolve insolvency relatively efficiently. And Rwanda is among the fastest places to start a business.

"If each East African country was to adopt the region's best practice for each Doing Business indicator, East Africa would rank 18, bringing the community closer to the global top performers," said Sabine Hertveldt, World Bank Senior Private Sector Development Specialist and co-author of the report.

The East African Community is the regional intergovernmental organization of the economies studied in this report. In recent years EAC economies have worked to harmonize EAC Customs Union legislation and common market protocols while establishing peer-to-peer networks such as the Network of Reformers, based on similar models in the Organization of Economic Cooperation and Development and the European Union. In July 2010, EAC countries officially entered into a common market.

"We are serious about our role in the creation of an environment which is attractive to increasing private sector activity within and across our borders. We can do this by further streamlining regulations affecting businesses and by ensuring that the business environment is reassuring to investors," stated Enos Bukuku, EAC Deputy Secretary General in a speech delivered on behalf of the EAC Secretary General.

"Although the common market has opened several opportunities for businesses in the region, it still requires an investment climate that is properly suited to catalyzing additional trade and investment. The EAC *Doing Business* report serves as a platform for private sector and governments to work together to make doing business in the community easier," said Agatha Nderitu, Executive Director, East African Business Council.

Between June 2009 and May 2010, as recorded by *Doing Business 2011*, East African countries implemented eight reforms making it easier to do business. That brought the region's total since 2004 to 54. Of the eight reforms, three were carried out in Rwanda, two each in Kenya and Uganda, and one in Burundi. For more information on this report and about the Doing Business report series, visit [www.doingbusiness.org](http://www.doingbusiness.org).

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## Upcoming PSLO Missions

### ANNUAL PSLO ENERGY SECTOR MISSION

To The World Bank Group, Inter-American Development Bank, African Development Bank, Asian Development Bank, European Bank for Reconstruction & Development & the United Nations Agencies.

#### “From Strategy to Action: Business Opportunities for Energy Market Transformation”

Washington, D.C., October 23 – October 27, 2011

New York, NY, October 28, 2011

The **Private Sector Liaison Officers** (PSLO) Network invites you to mark your calendars for an annual joint mission focusing on the energy sector opportunities at the International Financial Institutions specifically designed to provide an opportunity for the private sector to:

- Initiate a dialogue with the project officers responsible for energy sector projects;
- Understand the project requirements and constraints; and their level of competitiveness in accessing bank projects and bank-financed projects and programs in the energy sector.
- Inform staff of the capabilities and interests of international firms in the energy sector.

#### This mission is designed for:

- Consulting firms, individual consultants, training institutions and universities
- Equipment manufacturers/suppliers
- Prospective sponsors of private sector projects

To register or find more information, please visit <http://www.houston.org/psloenergymission>



### “Private Sector Opportunities in Latin America & the Caribbean”

Visit to Colombia, Haiti & Peru with the Private Sector Liaison Officers (PSLO) of the World Bank and Inter-American Development Bank

Colombia, November 8-12, 2011

Peru or Haiti option, November 13-18, 2011

The PSLO Network invites you to mark your calendars for a mission which will include country meetings and presentations with **The World Bank Group, The Inter-American Development Bank, The United Nations and Government Embassies and Trade Representatives of Columbia, Haiti & Peru**

The multiple country delegation visit to Columbia, Haiti and Peru, focusing on project development at the International Financial Institutions, and specifically designed to provide understanding and opportunity for the private sector. During the visit program, companies will enjoy the opportunity to:

- Learn what types of projects International Financial Institutions are financing in the select regions, in the environment, energy and education sectors
- Dialog with representatives about project opportunities and requirements
- Discuss capabilities necessary for the undertaking of projects in-country
- Identify specific opportunities for products, services and capabilities
- Further understand how projects are initiated and developed
- Build important relationships on-the-ground in each participating country



## ADB Energy Efficiency Project Has PRC's First Large Industrial Solar Application

The Asian Development Bank (ADB) is extending a \$100 million loan for an energy efficiency project in Shandong province in the People's Republic of China (PRC) that will reduce harmful emissions including carbon dioxide and incorporate the first large-scale industrial use of solar thermal technology to generate electricity.

The ADB Board of Directors has approved the assistance for the Shandong Energy Efficiency and Emission Reduction Project. Along with financing state-of-the-art energy technologies at two private companies, it will raise the capacity of government and financial institutions to plan, invest in, and manage further energy efficiency improvements. Slashing the use of coal for power generation and industrial production will help mitigate respiratory diseases and scale back the use of fossil fuels.

“Shandong has the second largest level of industrial output of all provinces in the PRC and is heavily dependent on fossil fuels,” said Shigeru Yamamura, an Energy Specialist in ADB's East Asia Department. “This project, which incorporates an innovative financing mechanism, will reduce energy intensity and emissions, as well as helping to spur future investments in energy efficiency.”



At present there are major financing barriers for large-scale energy efficiency investments that have held back badly-needed upgrades in the PRC's industrial sector. The financial intermediation model chosen for the project will catalyze additional domestic private equity and debt finance, with the revolving nature of its financing. It follows a similar financing mechanism used by ADB to support energy efficiency retrofits in Guangdong Province.

Assistance will be initially channeled to the privately owned Golden Yimeng Group and Dongying Lufang Metallic Materials. Golden Yimeng will use the funds to expand a biogas capturing system to generate power and supply heat, as well as to produce organic fertilizers. It will also use steam preheated by solar parabolic concentrators to supply a six-megawatt electricity generating steam turbine—the first such large-scale industrial solar application in the PRC.



Dongying Lufang Metallic Materials, which is among the top six copper producers in the PRC, will use funds to supplement the development of a zero coal copper ore smelting furnace. This will both reduce emissions and set a benchmark standard for future copper smelting technology.

The total investment cost is estimated at \$553.2 million with \$141.8 million earmarked for the first batch of subprojects. ADB's loan from ordinary capital resources has a 15-year term, with a 10-year grace period, and interest determined in accordance with ADB's LIBOR-based lending facility.

Counterpart equity finance for the first subprojects will be provided by Golden Yimeng and Dongying Lufang Metallic Materials. The Shandong Provincial Government is the executing agency for the project which will run from 2011 to 2016.

## **African Development Bank Extends USD 365 Million to Help South Africa Green its Energy Sector**

In a landmark decision, the African Development Bank (AfDB) will extend to South Africa a financial package totaling USD 365 million in order to help the country green its energy sector.

The financial package includes a loan of USD 265 million approved by the AfDB's Board of Directors on 30 May 2011, as well as a USD 100 million concessional loan from the Clean Technology Fund. The financial package will support South Africa's national electricity utility, Eskom, in implementing a USD 1.3 billion renewable energy project introducing concentrated solar power to sub-Saharan Africa and the first utility-scale wind power plant to South Africa.

Not only is the AfDB providing financing, but it is also transferring critical knowledge of how to design and manage wind and solar projects to South African experts. Through funding and training, the AfDB is helping South Africa take a major step towards a strong economy fueled by cleaner energy.

The loan will help Eskom fund two power projects: a 100MW concentrated solar power plant at Upington and the 100MW Sere wind farm near Koekenaap in the Western Cape. These projects respond directly to South Africa's need for more energy and to diversify its energy mix, gradually increasing the weight of clean energy to 42 percent by 2030 as anticipated in South Africa's Integrated Resource Plan released earlier this year.

"The two initiatives are the first of their kind in a region where they are seen as a test case and catalyst for larger-scale delivery of power using renewable technologies to displace considerable future CO2 emissions," stated Hela Cheikhrouhou, Director of the AfDB's Energy, Environment and Climate Change Department.

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Emission savings are estimated at about 5 million tons of CO2 equivalent (over a 20-year life span) for the Sere wind power project and 9 million tons for the Upington solar power plant. In addition to the tremendous environmental benefits, the project will have a positive impact on job creation.



Currently, South Africa generates barely 22MW in wind power and has no grid connected solar power generation capacity. In the 2010 financial year, Eskom emitted approximately 224.7 million tons of CO2, making the South African economy one of the most carbon intensive in the

world. About 90 percent of electrical energy produced in the country in 2010, was derived from fossil fuels. While it is more expensive to generate power from renewables than from coal-fired production, the goal is to decrease their marginal cost over time.

It is expected that the project will lay the foundation for a future fleet of power plants by demonstrating solar field and power plant technology.

This project demonstrates the AfDB's continued commitment to more and cleaner energy for all Africans by maximizing clean energy options, emphasizing energy efficiency, and working with developed countries and development institutions to quickly and effectively channel a more substantial share of development financing. The AfDB is leading Africa's efforts to implement clean energy technologies. As part of its efforts to promote green growth development paths in Africa, not only is the AfDB financing clean energy projects, but it is also designing innovative financing instruments tailored to the specificities of African economies and markets.

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## Alberta Company Profile: Integrated Environments

**INTEGRATED ENVIRONMENTS (IEL)** has been providing strategic environmental management services relating to industrial development, good governance, and optimal environmental and social performance since 1984. They span the globe, providing innovative and effective solutions to all levels of governments, private sector developers and stakeholders. IEL works closely with a number of International Financial Institutions (IFIs).



Recently IEL completed a Strategic Environmental and Social Assessment (SESA) of the Oil & Gas sector in Mauritania for the **World Bank** to ensure long-term environmental and social sustainability of the onshore and offshore oil and gas sector.

In Bolivia, they completed a cumulative effects framework level assessment of a geothermal project for the **Inter-American Development Bank (IDB)** and provided identification and expert advice on relevant environmental and social issues.



In Central Asia, IEL is providing an Environmental and Social Impacts Assessments (ESIA), an Environmental and Social Management Plan (ESMP), Consultation Guidance Plan and Land Acquisition and Resettlement Framework (LARF) for a proposed electricity transmission project spanning Kyrgyz Republic, Tajikistan, Pakistan and Afghanistan.

In Costa Rica, IEL is working with the IDB to provide additional environmental studies in support of sustainable hydroelectric development to manage downstream impacts of sedimentation, flow and fish, biodiversity, cumulative effects and management of construction impact.

### IEL Services

- Regulatory Management
- Environmental Management
- Social Environment Management
- Liability and Risk Management
- Geospatial Data Management

### IEL Clients

- Energy Industry
- Industry Associations
- Mining
- Financial and banking
- Aboriginal Groups
- Local and foreign governments

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## International and Intergovernmental Relations IFI Activities

### IDB Annual Meeting in Calgary – March 2011



The Inter-American Development Bank's (IDB) Annual Meeting took place in Calgary from March 25<sup>th</sup> to 28<sup>th</sup>. Calgary welcomed delegates from 48 member countries to the Annual Meetings. Over 3000 delegates who attended the 52<sup>nd</sup> Annual Meeting had a chance to attend a number of events including two full days of seminars targeting the private sector.

One such session which focused on how the private sector can work with the IDB was jointly organized by the three levels of government. Other noteworthy seminars included a seminar that featured Dr. Juan Jose Suarez Coppel, President of Pemex in a session entitled "The Future of Oil in a Carbon Conscious World".

Minister Iris Evans participated in the opening session of the Board of Governors meeting on March 28<sup>th</sup>. In her remarks she touched upon the linkages between Alberta and Latin America and specifically highlighting the economic bonds between Alberta and Latin America and the Caribbean.



### Abraham Fox, IDB Outreach to Calgary – May 2011

As a follow-up to the Inter-American Development Bank (IDB) meetings in Calgary at the end of March 2011, Abraham Fox from the Structured and Corporate Finance Department of the Inter-American Development Bank (IDB) was in Calgary on May 24<sup>th</sup> and 25<sup>th</sup> to meet a number of companies who were either interested or were currently pursuing oil and gas projects in Latin America and the Caribbean.

As part of his visit, the Ministry of International and Intergovernmental Relations (IIR) partnered with the Canadian Council on the Americas to host a breakfast presentation which focused on the work of the IDB in the extractive sector.

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## North American Prime Contractors Workshop and IFI Bootcamp – June 2010

The program for the 2011 North American Prime Contractors workshop and IFI Bootcamp was developed by representatives from the Western Canadian PSLO Network. The two day program was designed to educate small and medium sized enterprise (SME) on successful strategies that were used by larger North American-based companies in bidding for projects funded by the IFI's. Representing the IFI's were the Inter-American Development Bank (IDB), the World Bank and the International Finance Corporation (IFC). In total 8 representatives from the IFI's presented. The sectors covered included Infrastructure, Energy, Transportation and the Water and utilities sector.

Further, it was an opportunity to create cross-province or cross-country partnerships between SME's for future opportunities. Six industry-leading North American companies presented on the successful strategies on IFI initiatives they have undertaken. They also identified the types of projects and partners they are pursuing.



Representing the successful prime contractors from Canada were representatives from SNC Lavalin, Stantec, Morrison Hershfield, Econoler, GE Energy and Manitoba Hydro International.

## Asian Clean Energy Forum in Manila – June 2010

The Alberta Government lead a Canadian mission to the Sixth Asia Clean Energy Forum 2011, themed "New Business Models and Policy Drivers - Building the Low-Carbon Future," took place from 22-24 June 2011 in Manila, Philippines. The event was organized by Asian Development Bank (ADB), the United States Agency for International Development (USAID), and the World Resources Institute (WRI), and aimed to promote best practices in clean energy policy and regulation, financing and investment, innovative business models, and energy access.

More than 550 participants from over 50 countries, representing governments, financial institutions, civil society, academia, international organizations, and the private sector gathered in daily plenaries, breakout sessions, and parallel side events to discuss innovative and creative methods to encourage to large-scale clean energy development and deployment.

The Forum was framed around four overarching thematic areas: policy and regulation; financing and investment; innovative business models; and energy for all. Important recurring messages of the Forum included: developing financial mechanisms to more effectively link both large and

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small scale project developers with private and public financiers; strengthening capacity to design and implement business models for clean and renewable energy projects; creating an enabling environment for markets; maturing the market for renewables; and addressing operational and technical dimensions of renewable energy projects to develop credible financial products.



**Peter du Pont**, USAID, **Henrik Breum**, Vestas Wind Systems, **Brad Sterley**, Standard Chartered Bank, **Pankaj Sehgal**, Sun Group India, **John Morton**, Overseas Private Investment Corporation, **Woochong Um**, ADB

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## Upcoming Events

Event	When	Where	For more information
<b>Video Conference on Colombia by the Inter-American Development Bank</b>	<b>September 27, 2011</b>	Calgary	<b>For more information:</b> <a href="tel:403-297-6592">Shane Jaffer at 403-297-6592</a>
<b>Canada Nigeria Business Investment Forum</b>	<b>September 29, 2011</b>	Calgary	<b>For more information:</b> <a href="tel:780-915-1110">Frank Kense at 780-915-1110</a>
<b>PSLO Energy Mission: From Strategy to Action: Business Opportunities for Energy Market Transformation</b>	<b>October 23 – 28, 2011</b>	Washington, DC and New York, NY	<b>For more information:</b> <a href="http://www.houston.org/psloenergymission">http://www.houston.org/psloenergymission</a>
<b>Global Clean Energy Congress &amp; Exhibition</b>	<b>November 1 – 3, 2011</b>	Calgary	<b>For more information:</b> <a href="http://www.globalcleanenergycongress.com">http://www.globalcleanenergycongress.com</a>
<b>PSLO Mission to Colombia and Peru or Haiti: Private Sector Opportunities in Latin America and the Caribbean</b>	<b>November 8 – 16, 2011</b>	Colombia/Peru /Haiti	<b>For more information:</b> <a href="tel:403-297-6592">Shane Jaffer at 403-297-6592</a>
<b>Canadian PSLO Mission in the environmental sector</b>	<b>February 2012</b>	Washington, DC	<b>For more information:</b> <a href="tel:403-297-6592">Shane Jaffer at 403-297-6592</a>
<b>IFI Bootcamp</b>	<b>March 12 – 13, 2012</b>	Vancouver	<b>For more information:</b> <a href="tel:403-297-6592">Shane Jaffer at 403-297-6592</a>

### *The Alberta International and Intergovernmental Relations IFI Liaison Office*

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