

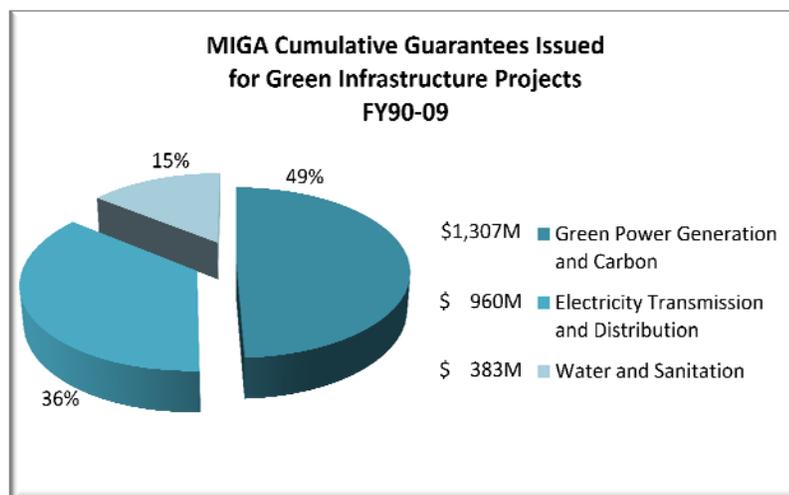
MIGA Brief

MIGA's Support for Green Infrastructure Development

BACKGROUND

Strategy. MIGA's contribution to reducing the adverse impact of climate change focuses on supporting green infrastructure investments in developing countries which build renewable energy capacity, encourage resource conservation and distribution efficiency, improve sanitation, and off-set greenhouse gas emissions.

- **Results.** Since FY90, MIGA has provided guarantees totaling over \$2.5 billion for 72 green infrastructure projects in all regions of the world. .
- **MIGA's added value in green infrastructure development includes:**
 - o Mitigation of risks and dispute resolution, often at the subsovereign level, keeping investments on track.
 - o Support for projects that address resource scarcity and waste issues in middle-income countries such as China, where the prospect of working with untested local governments often inhibits investment.
 - o Longer loan tenors and reduced costs, including for projects in frontier markets.



HIGHLIGHTS

- **Carbon Finance.** In FY06, MIGA provided \$1.8 million in guarantees for a project that converts methane generated by a landfill in San Salvador to less harmful carbon dioxide. Sale of the resulting certified carbon credits helped finance the project. Phase two of the project involves the construction of a 4 MW landfill gas power plant.
- **Renewable Energy.** Since FY90, MIGA has provided \$832 million in guarantees to 11 renewable power projects in Africa, Asia, and Latin America. Most of the projects the Agency has insured are small and medium-size geothermal projects or hydropower projects, but MIGA has also insured large-scale hydropower projects in Lao PDR and Uganda. In FY08, MIGA provided a guarantee of 88.3 million to support investments into a geothermal power plant with a combined capacity of 48MW in the Olkaria geothermal fields of the Rift Valley, 50 kilometers northwest of Nairobi, Kenya. Supporting indigenous renewable energy sources both offsets greenhouse gas emission and helps countries mitigate the impact of energy price volatility.
- **Efficiency gains in energy transmission and distribution.** Nearly 40% of guarantees issued in support of green infrastructure – or \$960 million – have focused on improving power transmission and distribution efficiency in countries where outdated technology and network management models increased the likelihood of outages and energy losses. In FY09, MIGA issued a guarantee of \$33 million for a project that will help alleviate the imbalance of electricity supply and demand caused by the geographic distance and climate difference across regions in Brazil.
- **Development of water treatment and sanitation facilities.** Since 2001, MIGA has provided \$383 million in guarantees to eleven water treatment and sanitation projects in every region. These projects include a water treatment facilities in Ecuador and China, solid waste management and collection projects in Egypt, Senegal, and Uruguay, and a wastewater treatment project in Jordan that is helping to conserve scarce potable water.