



Office for South East Europe **European Commission / The World Bank**



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IFI Advisory Group – Working Group Meeting on Energy **Chairman's Conclusions**

The Energy Working Group of the IFI Advisory Group (IFI-AG) met for the first time on September 25, 2007. There was a very productive atmosphere and the meeting clearly demonstrated the importance of bringing together sector experts from each of the IFIs represented in the IFI-AG to closely coordinate their many activities. Participants agreed that continued coordination among IFIs is highly important for the energy sector because it requires substantial amounts of investment and, perhaps more than in other sectors, a very strong commitment to reforms in the country.

The following conclusions were reached:

- Participants welcomed the regional approach to energy in South East Europe and agreed to work in line with full implementation of the Treaty establishing the Energy Community.
- Participants took note of a set of investment projects proposed by the participating countries of the Energy Community. It was agreed that this list will need substantial vetting in order to establish which proposals are realistically bankable. Participants noted that the position of many of the public sector proposals within a least cost planning framework (including the Generation Investment Study) was unclear.
- Participants underlined that when making financing decisions, they will carefully scrutinize such projects to ensure that they are priorities budgeted within National Public Investment Programs (PIPs).
- During a discussion on the European Commission's proposed new Project Infrastructure Facility (PIF) it was agreed that the needs in this area are huge and that the private sector needs to be brought in as well. Strict criteria will be required for inclusion of projects that will benefit from the PIF. Further details concerning the PIF will be circulated by the European Commission before the end of the year
- Participants agreed that energy efficiency activities by the IFIs in the region could be carried out in a more coordinated fashion. A separate meeting will be dedicated to this theme and will take place before summer of 2008, possibly hosted by the EBRD.
- Participants were presented with recent actions taken by the Compliance Committee of the Aarhus Convention relative to the Vlore (Albania) power plant. Given the possible implications of the Convention for IFI social and safeguards processes in the infrastructure sector, it was agreed that the issue should be discussed again following the Inspection Panel review next year. A note outlining the key issues will be prepared by the World Bank and the EBRD.