



*Roundtable on Margins of the World Bank Spring Meetings*  
**Scaling up finance to unlock the potential of offshore wind to meet global  
climate goals**  
*April 11, 2023*

## **Roundtable Summary**

### **Participants:**

Canada, UNFCC Climate Champions Team, Denmark, ESMAP (World Bank), European Union, IFC, Japan, Ocean Action 2030 Coalition (WRI), Ocean Risk and Resilience Action Alliance, Ocean Conservancy, OceanKind, Organization of American States, Ørsted, Panama, Portugal, UN Global Compact, United States, World Bank

### **Introduction:**

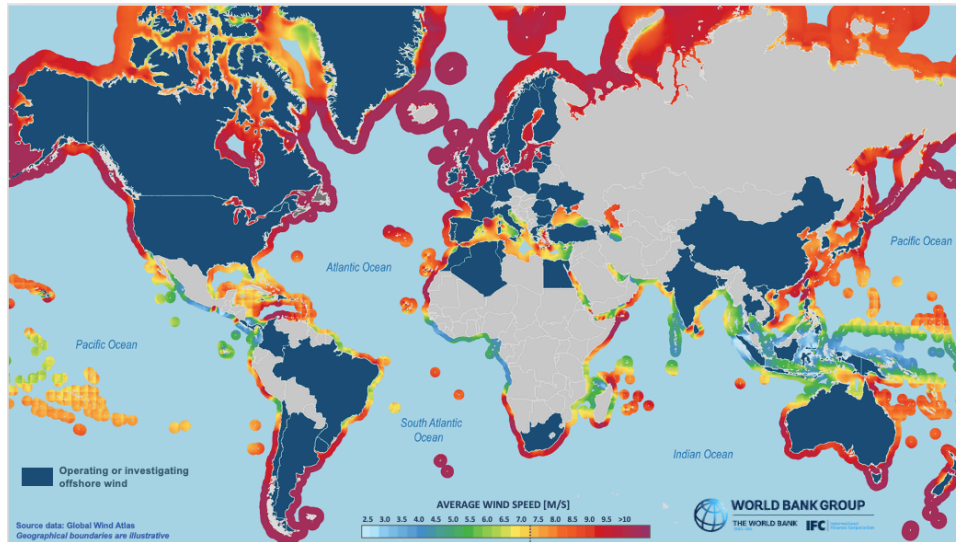
The roundtable started with remarks from Chris Dorsett, Vice President of Conservation Programs at Ocean Conservancy. It framed why a conservation organization like Ocean Conservancy was keen on marine renewables and energy transition. And positioned the importance of a rapid, responsible and just transition to 100% clean ocean energy for the well-being of the ocean health and coastal communities.

Valerie Hickey, Global Director of Environment, Nature and Blue Economy, delivered opening remarks which stressed the urgency of the need to bend the emissions curve, and the critical role marine renewables play to help get there. It highlighted the need for ambition, urgency and action in deploying climate finance to support developing countries attract capital for mitigation solutions such as offshore wind. In particular, the need for de-risking investments by creating enabling environments to reduce the cost of capital for offshore wind and attract private capital. Incorporating marine spatial planning and integrating national offshore wind ambitions into Sustainable Ocean Plans were also highlighted as possible levers for providing predictability and attracting capital.

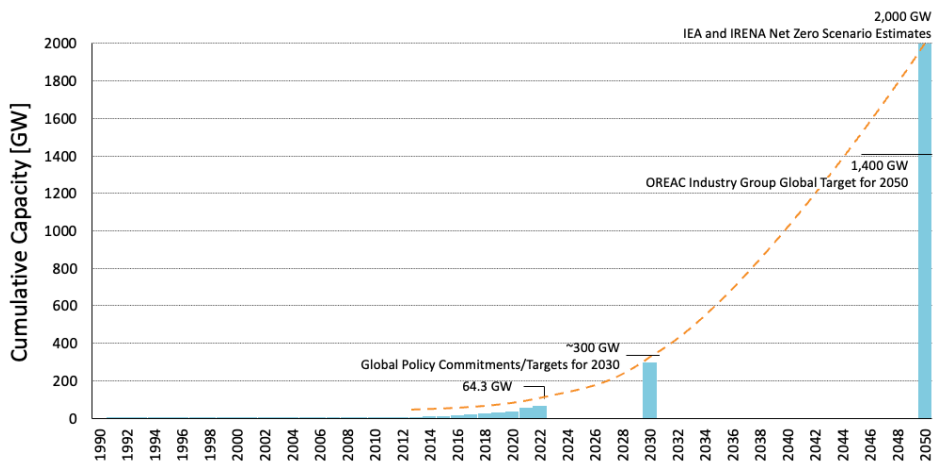
### **Presentation**

Mark Leybourne, Offshore Wind Program Co-Lead, World Bank and Sean Whittaker, Offshore Wind Program Co-Lead, IFC, delivered a presentation on the overview of the World Bank Group's offshore wind program and current state of financing for offshore wind. The objective of the program is to accelerate the deployment of offshore wind in emerging markets and provide support to build a pipeline of bankable projects. The Energy Sector Management Assistance

Program (ESMAP) leads the program in partnership with International Finance Corporation, the World Bank Group’s private sector arm. The program undertook technical potential resource assessment and mapping and identified 115 countries – over two third are emerging and developing countries – with a combined potential of over 71 TW of offshore wind. The program has supported 23 governments since it started in 2019. In addition, 57 countries have investigated the possibility of deploying offshore wind or are in the process of doing the preliminary work for deployment. Much of this is driven by the private sector.



## Global Offshore Wind Trajectory



To meet the IRENA and IEA net-zero scenario estimates, 2000 GW of offshore wind will need to be deployed by 2050. In addition to financing, deploying offshore wind also requires a systematic change in the value chain. There will be a need for onshore infrastructure such as ports, substations, vessels and others required to be built in close proximity. First offshore wind projects in any new market will be more expensive and need to be made ‘affordable’ for a developing economy. Concessional finance (lower-cost funding for development) could substantially reduce the cost of energy for the first offshore wind projects in developing countries, and this would help reduce the costs for subsequent projects in that market. Without

concessional finance, deploying offshore wind in emerging markets will be challenging. And a report on concessional financing for offshore wind in emerging markets will be released in June and provides an in-depth analysis of this topic.

## Facilitated Discussion

Offshore wind is a substantial, renewable energy source for countries seeking to transition their energy mix from fossil fuels and implement environmentally sustainable energy access solutions. Some interventions focused on addressing barriers to deploying offshore wind in developing countries. In particular, the need for small grant funding that could allow countries to undertake technical assessments and planning necessary to create the enabling and regulatory environments to attract sizable capital to deploy projects. The discussion also focused on how governments, the private sector, and civil society organizations can work together to accelerate the deployment of offshore wind. Participants from countries provided an overview of their domestic offshore wind activities and the advocacy work they are undertaking globally to advance the deployment of offshore wind. The Global Offshore Wind Alliance was raised avenue for collaboration among stakeholders.

There was significant agreement on the need to advocate increased concessional finance to be made available. There was strong support for robust community engagement, which was deemed critical to get the social license for offshore wind projects. There was also a strong consensus on the need to share success stories of local socio-economic benefits and job creation with policymakers, particularly in countries that are attempting to transition from fossil fuels. There was also a request for further research that factors in the externalities of the cost of importing fossil fuels so that the cost of deploying offshore renewables could be compared adequately. It was also highlighted that sharing examples of revenue sharing and community benefit sharing examples for fossil fuels versus offshore wind with local communities would be helpful.

Participants voiced support for ensuring every stage of offshore wind development is undertaken with consideration for biodiversity protection and restoration to maximize climate mitigation effects. The lack of biodiversity data sets was cited as a barrier to informed decision-making and also seen as an opportunity for collaboration among various stakeholders to undertake data collection. There was consensus for a need for globally accepted biodiversity mitigation measures to avoid and reduce impacts on marine ecosystems. There was also a strong interest in establishing a multistakeholder Community of Practice to share knowledge and learnings on mitigating and avoiding biodiversity impacts during offshore wind development.