

Financing low-carbon energy projects: the role of long-term policy, de-risking, PPPs and MDBs

1. OVERVIEW

Enabling low-carbon development requires massive investments in low-carbon energy infrastructure. We present an assessment of Multilateral Development Banks' financing contributions (2006-15). We discuss options for faster greening of MDB portfolios and the role of de-risking in electricity access.

This side event, organised jointly by The Prince of Wales's Corporate Leaders Group, B Team and Vasudha Foundation, brings together business leaders and policy experts to discuss the importance and implications of long-term plans and how businesses, through these plans, can contribute to just and sustainable transition to a zero-carbon future. The discussions will showcase what is possible, how businesses and society as a whole may benefit from long-term plans and how policy makers can accelerate and guide businesses in this process.

2. THEME/SPEAKING POINTS

Main themes:

- Opportunities and barriers to **low-carbon energy infrastructure investment**
- Instruments for **de-risking** Renewable Energy Investment
- The role of **long-term policy framework** in securing finance for projects
- The role of **complementary policies** and **realistic expectations** about the impacts of renewables investments
- The role of **MDBs** in investing in low-carbon energy infrastructure
- Achieving **SDGs** through low-carbon energy infrastructure investment

3. FORMAT

- 1) Welcome and introduction by Moderator (5 min)
- 2) Short pitches by each panellist (5-8 min each)
- 3) Moderated Panel discussion (30-35 min) - with ample room for audience participation (direct and possibly interactive questions)
- 4) Closing remarks by Moderator

4. EXPECTED OUTCOMES OF THE DISCUSSION

- Have a better idea of the challenges of attracting financing for sustainable energy infrastructure projects in developing countries and the potential solutions

CHAIR

Ms Niranjali Manel Amerasinghe, a Senior Associate in the Sustainable Finance Center, World Resources Institute (WRI).

PANELLISTS

Mr Marcel Alers, UNDP

The need for finance to reach SDGs

Dr Bjarne Steffen, Senior researcher and lecturer, ETH Zurich, Energy Politics Group

The role of Multi-lateral development banks in financing power generation projects in developing countries

- New data on the role of MDBs in financing power generation assets
- Factors influencing and explaining banks' investment patterns
- Particularly public sector arms of MDBs find it hard to shift to renewable investments

Ms Han Chen, Manager (Energy Policy, International Program), Natural Resources Defense Council (NRDC)

Can DFIs lead the way?

- MDBs are doing better at getting out of coal and promoting renewable energy compared to Export Credit Agencies (ECAs) and Development Finance Institutions (DFIs). Can they help steer ECAs and DFIs in the right direction too?
- Policies in SE Asia are insufficient to attract renewable energy investors: better feed in tariffs, auctions, and other policies are needed. How can MDBs help solve the chicken-and-egg problem of poor RE policies and weak investment?
- How can MDBs be more useful in helping governments break down institutional barriers to clean energy transition?

Mr Vahakn Kabakian, Climate Change advisor/portfolio Manager, Lebanese Ministry of Environment

Lebanon: De-risking Renewable Energy Investment – selecting public instruments to promote renewable energy investment for the Lebanese national renewable energy action plan

Professor Tobias Schmidt, Assistant Professor of Energy Politics and Head of Energy Politics Group, ETH Zurich, Energy Politics Group

De-risking electrification investments

- At this event, together with UNDP, ETH Zurich will launch their report on De-risking off-grid electrification investments
- The talk (and report) presents a framework for policy makers in selecting public instruments to promote private investment in solar PV-battery mini-grids in developing countries

Mr Antoine Badinier, Vice President for Sustainable Development, Électricité de France (EDF)

Add title

- Business perspective on financing low carbon energy infrastructure, with some real-life examples

Professor Laura Diaz Anadon, Professor of Climate Change Policy, University of Cambridge, Cambridge Centre for Environment, Energy and Natural Resource Governance (C-EENRG)

Financing renewables: the need for complementary domestic policies to meet long-term decarbonization goals

- Low-carbon technology financing for deployment needs to be complemented with larger public energy R&D investments to enable deep-decarbonization in the longer term.
- 'Six guiding principles' for the design of public energy R&D policies emerging from recent 'institutional innovation' and research
- Future efforts to achieve a double public 'mission' of deploying low-carbon technologies and creating domestic innovation and industrial capabilities in latecomer countries should be informed by experiences in deployment policies in such countries from the past 40 years.
- A forthcoming online tool synthesizing research on the evidence regarding short- to medium-term environmental, economic, distributional and socio-political outcomes of specific deployment policies.