

Introduction to CTI & CTI PFAN

Michael Rantil Bonn, 26th May 2016



Agenda

	Welcome and Introduction to CTI and CTI PFAN
13:15 -	- Michael Rantil,
	- CTI PFAN Manager / Swedish Energy Agency
	Keynote Address – Why is PFAN important and how can it make a difference?
12.25	- Russell Miles
13:25 -	 Director Adaptation & Mechanisms Section, Environment & Climate Branch of the Australian Department of Foreign Affairs & Trade
	Practical Experience from the Field – a view from Senegal
12.25	- Elhadji Mbaye Diagne
13:35 -	 Africa Lead Coordinator "Markets" / Member of the Senegalese National CC Committee
42.45	Where does PFAN go from here? Briefing on current activities and plans for future scale up
13:45 -	- Peter Storey
	- CTI PFAN Global Coordinator
14:00 -	Q&A / Discussion moderated by Michael Rantil



Overview of CTI

- ☐ Technology Collaboration Programme under the IEA in support of UNFCCC. Currently 8 Member Countries:
 - Austria, Canada, Germany, Japan (Vice Chair), Norway (Chair), South Korea, Sweden, US.
- ☐ To promote more rapid development and diffusion of climate friendly and environmentally sound technologies through multilateral and international cooperation between the public and private sectors and between OECD Countries and Non-OECD Countries
- ☐ Private Sector Focus working extensively with business and fiancial sectors
- ☐ CTI also works with
 - Governments
 - International Organisations (WB / UNDP / UNEP / UNIDO)



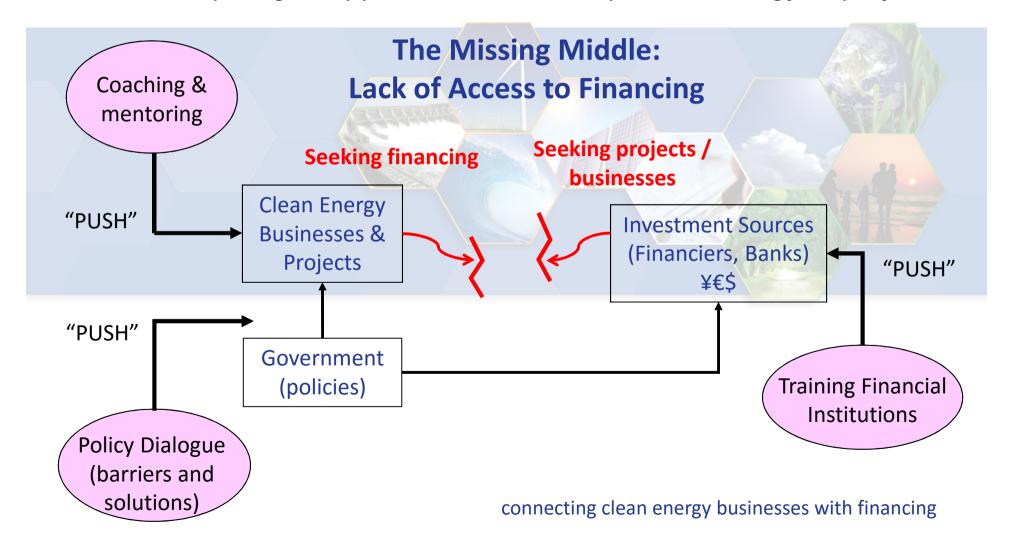
Context

- □ To hold global temperature increase below 2°C, investments in low-carbon technologies and energy efficiency must increase 75% or USD 12 trillion through 2035
- ☐ Governments alone cannot provide sufficient capital to facilitate the transition to clean energy at the speed and scale necessary to meet global climate and energy challenges
 - Need for Private Sector to play an expanded role.
- ☐ A primary obstacle to large-scale deployment of clean energy is access to finance
 - Missing Middle: over-supply of projects & capital but the 2 sides don't communicate well
 - Mobilising larger and lower-cost capital flows through private funding and public-private partnerships is necessary to help drive this process



CTI PFAN - Rationale

How a multi-pronged approach can scale up clean energy deployment





Matches Private Financing with CE Projects in Developing Countries

☐ Helps Clean Energy Businesses in Developing Countries at early start-up stage bridge the Investment Gap ☐ Identifies & Screens Business Plans & Provides Professional Project Development & Financing advice through targeted Coaching and Technical Assistance Strengthens capacity of project developers to present business plans and financing proposals that meet industry standards Organises Clean Energy Financing Forums in Asia, Latin America and Africa to present selected Projects to investors ☐ Low-risk, low overhead Networking Model based on fixed fee Project **Development & Transaction Advisory Services**

■ New Governance & Funding Structure under UNIDO & REEEP

- Network & Operations remain in tact
- Scale-Up of Activities by 2x 5x



PFAN Services

- Deal Facilitation
- Technical Studies
- Due Diligence & Legal Costs
- Co-Funding required

Tipping
Point
Technical
Assistance

Project ID Investment Readiness Assessment (IRA)

- Identifies Strengths & Weaknesses for focus of Coaching
- Feedback from Investors& Experts

• Investor Fora /

- Investor Roadshows
- 1-1 Introductions
- Investor Network

Financing Facilitation

Strategic Advisory Coaching & Mentorship

- Professional Advice
- Proven Methodology
- Network Members
- Local / Global



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Review of Activities & Briefing on Future Developments for SB44

Peter Storey Bonn, 26th May 2016



12 mth Activity Highlights

- ☐ 16 new Financing Closures = USD 164 million
 - India (7) / Philippines (3) / Bangladesh (1) / Vietnam (1) / Malaysia (1) /
 Cape Verde (1) / Nigeria (1) / Uganda (1) / Ethiopia (1)
- ☐ CISCA Project Development & Financing WS in Kiev, Ukraine
- ☐ Investor Forum at SAIREC (with SANEDI & REEEP)
- ☐ WAFCEF2
- ☐ AFCEF6
- ☐ Launch of SPICEF
- Joint Activities with REEEP
 - PFF (10th Call)
 - Beyond the Grid Fund for Zambia
- ☐ Transition to PFAN 2,0 Task Force / UNIDO / REEEP

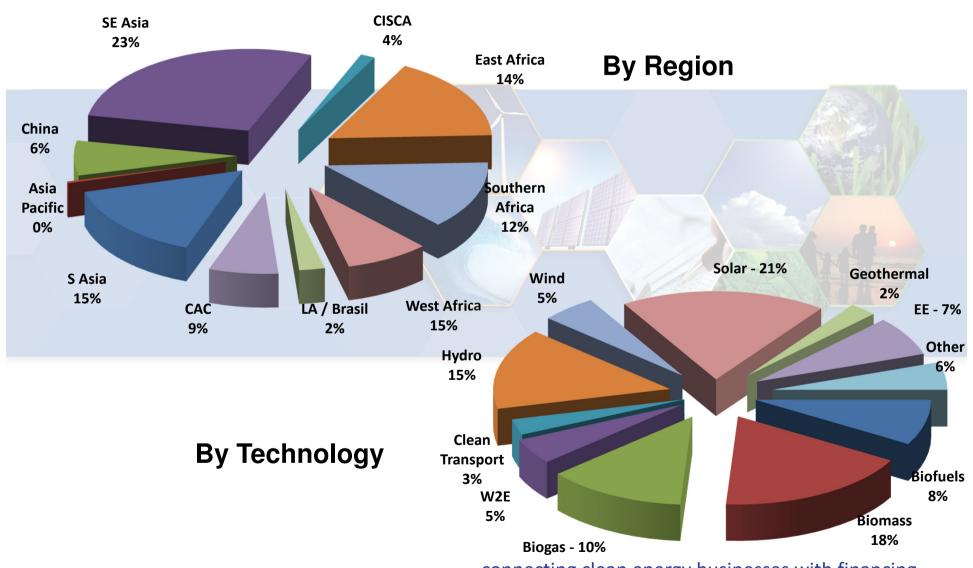


Pipeline Overview

- ☐ 334 Projects in the Development Pipeline
 - USD 8,4 billion of Investment
 - 13,5 million tonnes pa CO2 e GHG reduction potential
 - 3,8 GW of clean capacity
- □ 74 Projects Closed / USD 812 million raised
 - 592 MW of Installed Clean Capacity
 - 2,6 million tonnes CO2 e reduction pa
 - 140,7 GWh pa Energy Savings (EE projects)
- ☐ 18 Financing Fora
 - 846 projects identified / 265 selected / 155 showcased
 - 40 Projects Closed / USD 399 million raised

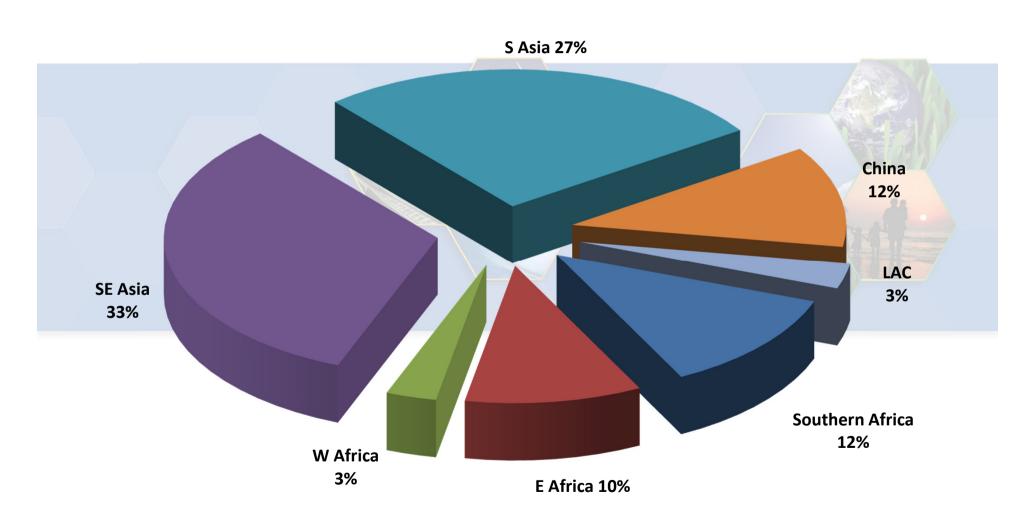


Pipeline Analysis at 31.03.2016





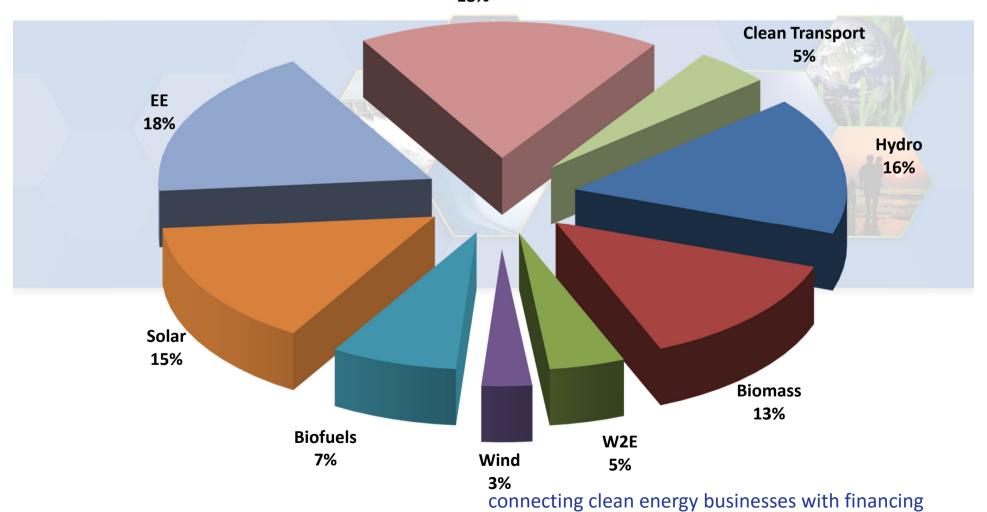
Closed Projects by Region





Closed Projects by Technology

Biogas 18%





WAFCEF2

- ☐ Africa Forum for Clean Energy Financing
 - Targeted at projects from ECOWAS Countries
 - Documentation & Applications in English & French
 - 20 Projects Shortlisted (from 49 submissions)
- □ PD & F Workshops in Dakar and Accra
- ☐ WAFCEF2 Investor Forum in Abidjan, 17th Sep 2015
 - Co-Organisers & Resource Partners: AFDB / SEFA / ECREEE / EBID / ABREC / BOAD
 - Hosted by AFDB in context of Africa Energy Week / New Energy Deal for Africa
 - Opening remarks by AFDB President / PM of Ivory Coast / D-PM of DRC
 - 10 projects / USD 480 million of total investment
 - > 250 investors / financiers and other stakeholders
 - Knowledge Sharing WS & ECREEE High Level Forum



CISCA PDFI WS

- ☐ CISCA Project Development & Financing Initiative
 - 33 Projects submitted
 - Documentation in English & Russian
- □ 9 Projects attended WS in Kiev
 - Ukraine, Moldova, Georgia, Kazakhstan
- New / Adapted Format
 - ToR signed with each project documenting content and focus of coaching
 - Targeted & personalized approach
 - Project Development & Financing Facilitation
 - Possible Forum in 2017
- ☐ MoU with Ukrainian State Agency for Energy Efficiency



AFCEF6

- □ Asia Forum for Clean Energy Financing
 - Targeted at projects from SE & South Asia
 - 20 Projects Shortlisted (from 49 submissions)
- ☐ PD & F Workshops in Singapore in September
- ☐ AFCEF6 Investor Forum in Singapore, 29th Jan 2016
 - Co-Organisers & Resource Partners: ADB / E4A / SEAS / PFAN Asia / IIX
 - 10 projects / USD 171 million of total investment
 - 88 investors / financiers and other stakeholders
 - In negotiation with investors for 1 deal (USD 200K)
 - Other deals in Financing Facilitation phase



SPICEF

- ☐ New programmatic activity in East Africa (+) funded by Sida
- ☐ Call for proposals launched in March
 - DRC, Ethiopia, Kenya, Mozambique, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe
 - Submission deadline 8th May 2016
- ☐ Co-Organisers: REEEP, USAID, Power Africa, EADB, REA, PSFU, TAREA, EPD, PSF, DBE
- Promotional roadshows in all target countries during April
- □ Upcoming Events / Activities
 - Capacity Building WS in May / June
 - Project Development & Financing WS in November
 - Possible Financing Forum in 2017

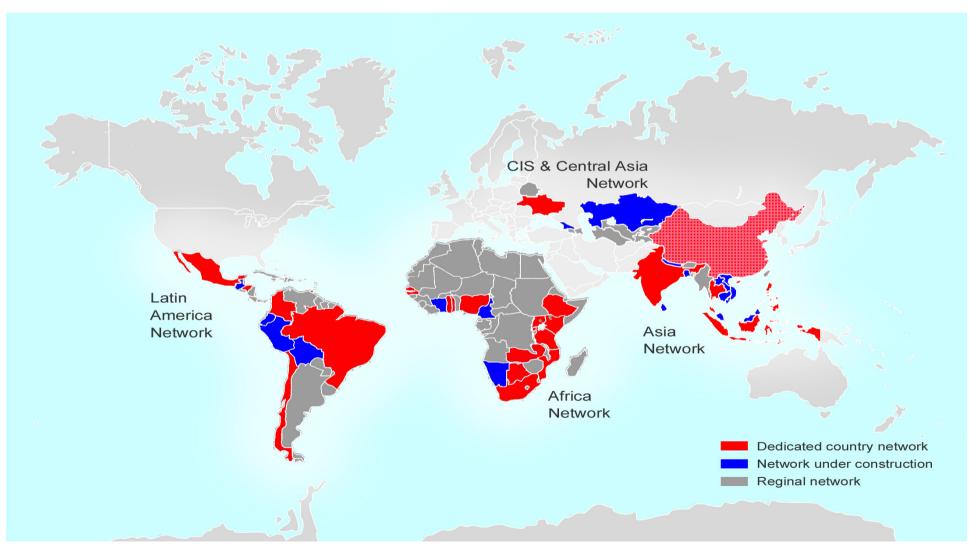


IDRC – Adaptation Stream

- ☐ First Adaptation Project Closures in 2015
 - Sun Culture (Kenya) USD 1,5 million
 - African Bamboo (USD 1,5 million)
 - Eastern Rice USD (USD 400K)
- ☐ Financing Facilitation continuing on projects in Mozambique (Tourism & Forestry), RSA (Biomass) & Namibia (Biomass)
- □ 2nd round launched in early 2016
 - 293 proposals received
 - Selection of projects for shortlist ongoing (60 projects from 1st cut)
 - New Selection procedure: targeting 10 20 projects
- ☐ Climate Change Financing Forum in Oct / November



Global Snap Shot of CTI PFAN



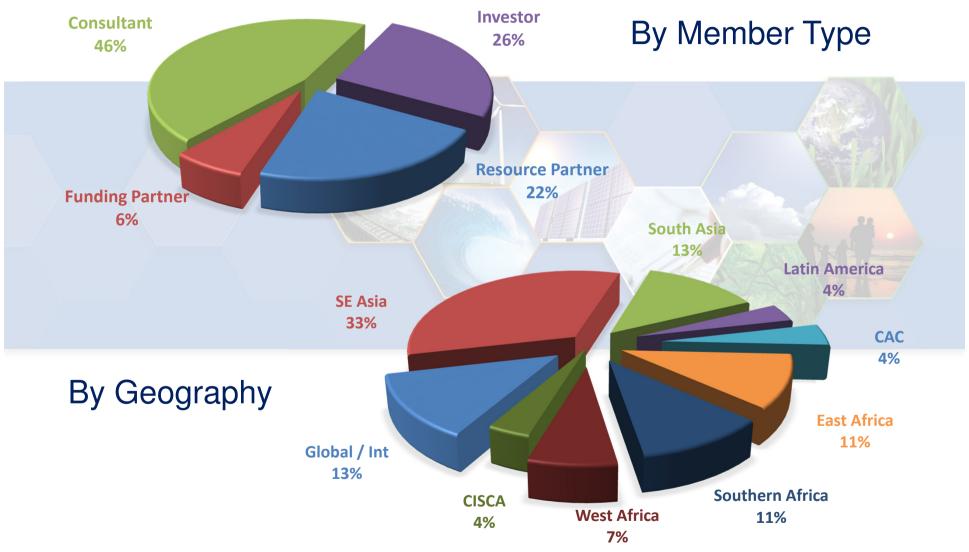


Network Structure

- □ 5 Regional Networks
 - Africa, Asia, Latin America, CAC, CISCA
 - Regional Coverage any country in the regions
 - Dedicated Country Networks active focus on selected hub countries
- ☐ In-Situ Coordinator for each Network at Regional & Country levels
 - Business Development Project Identification & Network Build Out
 - Implementation of SoW
- □ > 120 Network Members
 - Signed into PFAN MoU (standard Framework MoU)
 - Majority are in-country
 - Highly specialized; proven track record in raising financing
 - > 50 Affiliates (no documentation)
- □ > 40 Resource Partners
 - Broad Ranging Bi-lateral MoU for business development, outreach, project introductions and mutual support
 - DBSA, EADB, PSOJ, AHPPR, SANEDI, IIX, EEP, INWEA, PSFU, REA



Network Analysis





Strategic Partnerships

- ☐ Climate Technology Centre & Network (CTCN)
 - Participation in Regional Training Fora (Armenia)
 - Design of Responses (Mali / Guinea)
 - Provision of TA (Mali)
 - Design & Implementation of Private Sector Engagement Strategy Regional Forum in April in Nairobi / DNV-GL & WIPO Green
- ☐ IRENA Sustainable Energy Market Place
 - MoU signed
 - Project Origination, Assessment & Facilitation Services
 - Joint fund raising

☐ REEEP

- Beyond the Grid Fund Zambia EUR 20 mio Fund
- RECP
- Continuation of Work on Phased Financing Facility
- 9 Projects Asia (3) / Africa (4) & LAC (2)



Transition to PFAN 2,0 Overview of new hosting Structure with UNIDO & REEEP and Plans for Scaling-Up

Peter Storey Bonn, 26th May 2016

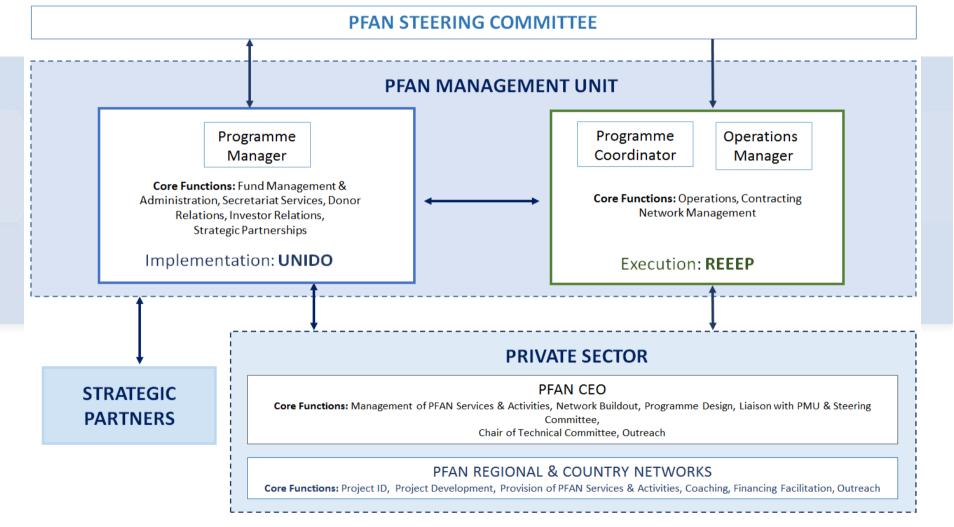


New Governance & Funding Structure

- □ PFAN will be organised as a project activity of UNIDO funded through a multi-party trust fund managed by UNIDO
- ☐ Governance will be effected through a dedicated Steering
 Committee comprising Donors (as voting members) and Observers
- ☐ Activities will be executed through REEEP
- No change at network level or to operations
 - Private sector network members remain responsible for delivery of services and activities



Envisaged Structure





Regional Approach / Structure

- ☐ Ready-made platforms
 - Africa (Southern / East / West)
 - PFAN Asia (possible division into two sub-regions SE Asia / South Asia)
 - CIS-CA
- ☐ LAC Platform(s)
 - Networks need consolidation and more rigourous organization
 - Ideally sub-regional approach with 3 sub regions: Central America / Caribbean / South America
 - Platforms need to be identified and formalized



Strategic Focus for Scale

- □ Development of portfolio approach / bundling for wholesale capital markets. Development of secondary market activities
 - Will free up capital for primary market, thereby increasing deal flow in primary market
 - Mine existing closed deals and pipeline (treasure trove)
 - Progressively scale up project id & sourcing capability
 - Distribution through major capital markets (London / NY)
- ☐ Establish of specialisations within the network base to support scale-up
 - Project Sourcing & ID
 - Distribution (Financing & Deal Facilitation)
 - Cash Flow & Accounting
 - Technology experts / groups



Strategic Focus for Scale (cont)

- ☐ Refine & expand PFF approach
 - Support across complete development continuum
 - Sectoral de-risking
- □ Expand CEFF approach to include events in Europe & US to expand investor base
- ☐ Refine & formalize success fee methodology
- □ Knowledge Management & Learning
 - Policy feedback loop
 - Consider commercialization of knowledge products
- Expand Strategic Partnerships
 - GCF / RDBs / GGGI / UNIDO Activities (eg Regional RE&EE Centres)
- □ Exit Strategy







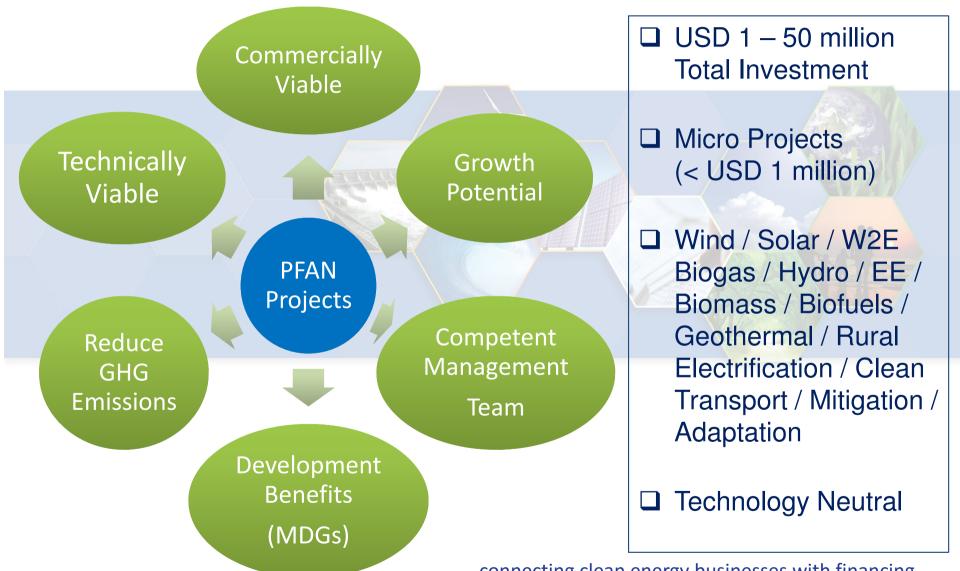
CTI PFAN Methodology

- ☐ 2 Entry Points
 - Development Pipeline: Unsolicited open ended / unlimited in time
 - Clean Energy Financing Fora: RFP on cyclical basis
- ☐ Free Coaching on Project Structure, Development & Financing





Project Criteria



CTI PFAN'S NETWORK MEMBERS











ecosoluzioni















msu















FE CLEAN ENERGY GROUP INC.

Small-Scale Sustainable



















ENERGY









Bridgecapital

Carbon



Nollen









SUSTAINABLE CAPITAL





























CTI PFAN'S RESOURCE PARTNERS





























































































