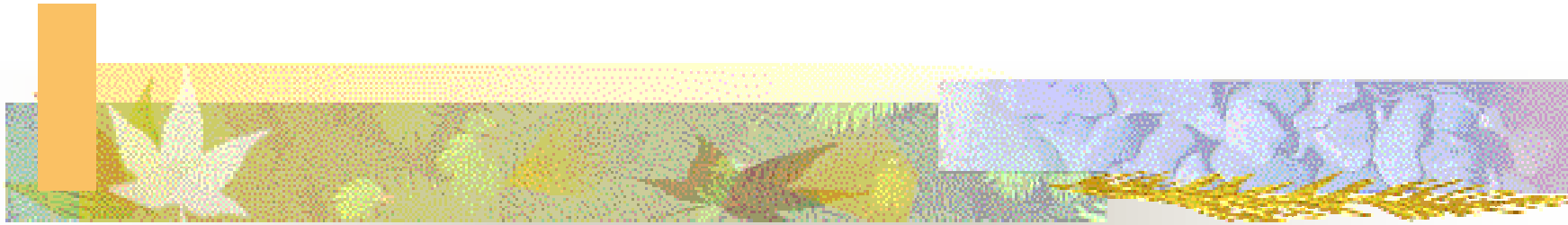


# Needs and Actions To Enhance Prospects for Private Financing



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# **Key Messages from Financing Workshop in Montreal & Bonn**

- **Capacity building is key**
- **Risk is major consideration – technology, political, economic, etc.**
- **Mobilizing domestic capital is essential.**
- **Necessity of the enabling environment - weaknesses of in-country institutions can be more of a barrier than access to financing.**



# **Need for Capacity Building**

- **Capacity building for project development and financing remains a key area needed to access new markets for investment financing.**
- **Building capacity in developing countries to improve project financing proposal so that they can “speak” the language of the investment community.**



# **Need to Mobilize Local Resources**

- **Need to mobilize local resources, including natural, human, institutional, and financial.**
- **Need for capacity building of local partner to help create local entrepreneurs; thereby helping to mobilize local resources.**
- **Need Training programs to help educate local banks and other institutions on financing issues.**



# Other Needs

- **Need to expand knowledge within the investment community of climate opportunities, particularly at the domestic level.**
- **Need for networks of partnerships to link different levels of key players presently disconnected; e.g. get development people talking to entrepreneurs.**



# Enhancement Actions

- Outreach to investors to improve their perceptions of risk. For example, many investors view renewable energy and GHG reduction projects as compounding risk – combining risky sectors with risky markets with a risky commodity.
- Look for project synergies to link climate aspects of a project with sustainable development goals that address issue such as water, poverty, pollution abatement, etc.



# Enhancement Actions

- **Efforts to enhance the enabling environment for technology transfer can take many forms –**
  - Improving the legal system, e.g. strengthening IPRs.
  - Favored conditions for importing a priority technology.
  - Income tax exemptions in priority technology areas.
  - Simplify permitting approval process.



# Conclusions/Next Steps

- Expand the opportunities for technical assistance to project developers to prepare project financing proposals meeting international finance standards.
- Encourage public/private partnerships to fill gaps in the continuum from project concept through development to eventual commercial financing.
- Create investor-friendly environment