



# **e8-GEF-UNDESA Human Capacity Building Programme Initiative:**

## **'Financing Sustainable Electrification Dialogues'**

By:

Mr. Marty McBroom, e8-AEP representative

Ms. Kathleen Abdalla, UNDESA

Dr. Zhihong Zhang, Global Environment Facility (GEF)

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# The Initiative



## Global Context:

- Increasing investment needs in the global power sector:
  - >10 trillion dollars of investment required in the upcoming decades to satisfy new power demand with advanced, low-CO2 emitting generation, delivery and end-use efficiency technologies.
  - > 50% will go to developing and emerging countries where demand and production increase the most.

*(IEA World Energy Outlook 2007)*

- New available funds for climate change mitigation technological transfer: multilateral banks (MDB'S) initiative -sponsored by the G8-: Clean Technology Fund (CTF); and funds through the Global Environment Facility (GEF), UNFCCC's operational fund.

## Current Challenges:

- Necessary but insufficient public funding to meet investment needs in the power sector;
- Need appropriate policy and regulatory frameworks and incentives which will enhance local and foreign investment;
- Need innovative financial models for the financing of R&D and the deployment of power generation and transmission technologies and projects, adapted to local contexts in developing and emerging countries;
- Need for the effective investment and use of available funds (multilateral, bilateral, public and private funds).

## The e8 Initiative:

→The e8, together with private sector financial partners and key international organisations, can share with counterparts in developing and emerging countries, unique perspectives, experience and practical business-oriented options to financing the deployment of low-carbon, advanced power technologies.



# Objectives and Expected Outcomes



## Designed to be a four-year long HCB programme:

- A series of eight region-specific workshops over a period of four years, scheduled to start in the spring 2009.

## Objectives:

- To share, through interactive dialogues with counterparts and key relevant actors in developing and emerging countries, business-oriented know-how and sector-specific expertise:
  - To contribute to enhancing countries' capacity to attract capital for the development and deployment of power generation and transmission technologies and projects, through the establishment of appropriate regulatory frameworks and policies.
  - To help ensure that available funds for power sector-related technological transfer (eg: funds from the CTF) are effectively invested and used, through appropriate and sustainable financial mechanisms and models.

## Expected Outcomes:

- Participating countries to create and implement an action plan including strategies and specific policy options relative to the issues addressed;
- Action plans to be monitored with the help of the e8 and partners following the completion of the dialogues.



# Target Audience in Beneficiary Countries



- **High-level, senior government representatives** (Ministries of finance and energy);
- **Power sector/financial regulators;**
- **Electricity sector key players;**
- **Local private sector and investment community representatives.**



# Partnerships



## **International Organisations:**

- The Global Environment Facility (GEF);
- The United Nations Department of Economic and Social Affairs (UNDESA).

## **Private sector financial partners, including:**

- Credit rating agencies
- Security analysts
- Investment and private equity banks



# Workshop Content



## **Discussion topics will include:**

- Current policy, institutional and financial obstacles to local and foreign investment in electrification projects;
- Potential investment sources and innovative financial models (PPPs, joint ventures, multilateral funding, FDI etc...); and:

## ***Specific areas requiring action:***

- Securing and encouraging foreign direct investment (including innovative regulation);
- Accessing capital markets;
- Establishing joint ventures;
- Investing in Clean Development Mechanism projects that provide carbon emission reduction credits;
- Eliminating financial barriers (e.g. limits on foreign investment, import taxes);
- Providing financial resources for R&D, cost reduction incentives;
- Tariffs;
- Power purchase agreements.



# Upcoming Workshops Spring & Fall 2009



- Workshop series launch - First workshop:
    - Timeframe: Spring 2009
    - Host city: **Bangkok (Thailand)**
    - Regional focus: South-East Asia
  
  - Second workshop:
    - Timeframe: Fall 2009
    - Host city: **Nairobi (Kenya)**
    - Regional focus: East-Africa
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# THANK YOU

For more information please contact:  
e8 General Secretariat

Email: [e8generalsecretariat@hydro.qc.ca](mailto:e8generalsecretariat@hydro.qc.ca)

Tel: +1-514-392-8876

Fax: +1-514-392-8900

[www.e8.org](http://www.e8.org)