



## CTI PFAN Supports Growth of Clean Energy Across Asia by Linking Innovative Projects with Investors



▲ *Breaking ground on a biomass cogeneration plant in La Union Province, the Philippines*



▲ *CTI PFAN's Clean Energy Investor Forums have brought together hundreds of investors, project developers and technical experts from countries across Asia*

### Successes since 2009: 15 Projects, \$175 million in financing

- The Climate Technology Initiative's Private Financing Advisory Network (CTI PFAN) is a global, multilateral initiative dedicated to reducing greenhouse gas emissions by "bridging the gap" between clean energy projects in need of financing and investors.
- Since beginning operations in Asia in April 2009, CTI PFAN has developed in-country networks of developers and investors in China, India, Indonesia, and the Philippines, as well as an ASEAN network.
- Of the more than 80 clean energy projects that have been mentored by CTI PFAN in Asia, 15 have achieved financial closure, with total investment of over \$175 million. These projects include biogas, biomass, energy efficiency, and small hydro initiatives.
- Combined, these 15 projects will mitigate a total of 7.5 million metric tons of CO<sub>2</sub> over the lifetime of the projects, the equivalent of taking 1.3 million cars off the road.

### The Challenge

In order to strengthen energy security and substantially reduce greenhouse gas and local pollution emissions, Asian countries need to scale up clean energy investments by an order of magnitude. One major hurdle to the large-scale deployment of clean energy has been the lack of an "honest broker" who can bridge the gap between investors and project developers, while also developing the capacities of the two sides in order to facilitate financing. On the one hand, the majority of project developers do not have access to an investor network or a clear picture of investors' funding criteria.



On the other, investors who are willing to finance clean energy projects do not have the local knowledge or the technical expertise to assess a clean energy project's viability. This "missing middle" has been particularly acute for projects in the range of \$1-\$50 million—where the clean energy market could be most dynamic.

### The Initiative

The Climate Technology Initiative's Private Financing Advisory Network (CTI PFAN) directly addresses the issue of the "missing middle". CTI PFAN targets small-scale renewable energy and energy efficiency projects that, unlike large capital investments in the energy sector, are typically unable to secure financing. CTI PFAN seeks projects that are profitable, innovative, socially responsible, have high growth potential, have high potential for mitigating greenhouse gases, and have a strong management team. For these projects, CTI PFAN provides a range of coaching and mentoring services, including review of the business plan and strategy, assistance with technology development and transfer, refining the business pitch, and matchmaking with investors interested in the clean energy space.

CTI PFAN is a public-private partnership initiated by the Climate Technology Initiative (CTI) in cooperation

with the United Nations Framework Convention on Climate Change (UNFCCC) Expert Group on Technology Transfer. CTI-PFAN is managed in Asia by the US Agency for International Development's (USAID) ECO-Asia Clean Development and Climate Program (ECO-Asia CDCP).

### The Results

By investing a relatively small amount of funding into setting up an honest broker network such as CTI PFAN, donors such as USAID can see leverage on their investments of more than 50-fold. In Asia, CTI-PFAN has established in-country networks in China, India, Indonesia and the Philippines, and has mentored over 80 clean energy projects since early 2009. To date, the \$2 million invested to support the establishment of CTI PFAN in Asia has resulted in financial closure of 15 projects with a total investment value of \$175 million. Combined, these projects will mitigate a total of 376,000 metric tons of CO<sub>2</sub> per year that would otherwise be generated from traditional energy sources such as coal-fired power plants.