



Mobilizing Financing for Adaptation Related Projects

CTI PFAN Briefing for COP 19

Elmer Holt & Peter Storey
Warsaw, 15th October 2013

Introduction to CTI

- ❑ Implementing Agreement under the IEA in support of UNFCCC Objectives. Currently 11 Member Countries:

- Austria, Australia, Canada (Vice Chair), Finland, Germany, Japan (Chair), Norway, South Korea, Sweden, UK & US (Vice Chair)

- ❑ 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 financial sectors

- ❑ CTI also works with

- Governments
- IEA & UNFCCC Secretariats
- Expert Group on Technology Transfer (EGTT / UNFCCC)
- International Organisations (WB / UNDP / UNEP / UNIDO)

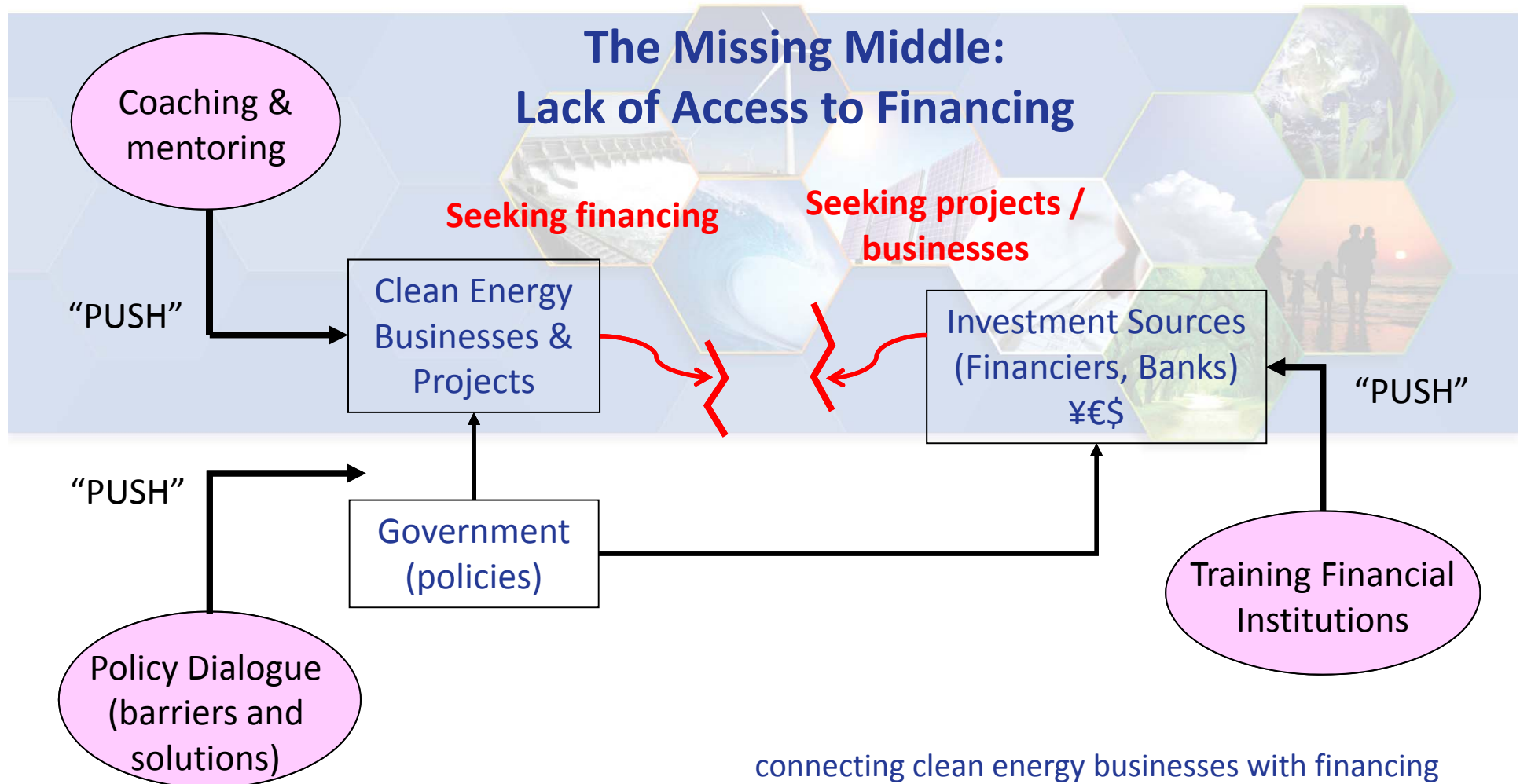
connecting clean energy businesses with financing

Introduction to CTI PFAN

- ❑ CTI PFAN is a Multi-Lateral Initiative:
 - CTI Countries / ICETT / REEEP / USAID
- ❑ Network of Private Sector Professionals
 - Investors / Consultants
 - Exclusive focus on developing countries
- ❑ CTI PFAN goals:
 - to accelerate technology transfer and diffusion under the UNFCCC
 - to promote low-carbon, sustainable economic development
 - to increase financing opportunities for promising clean energy projects
- ❑ Connects CE projects with Investors / Financing
- ❑ Triple bottom line approach

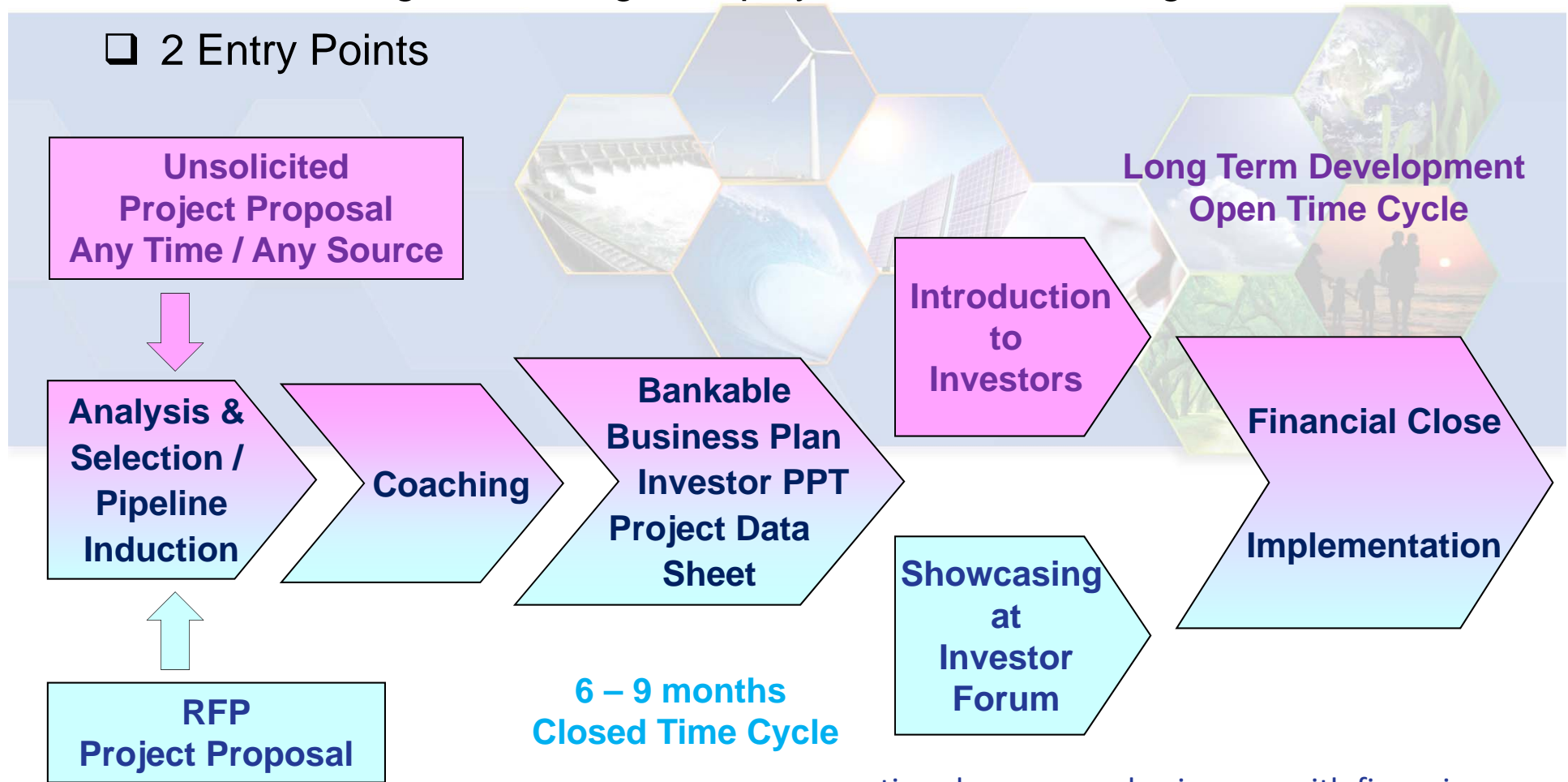
CTI PFAN – Rationale

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



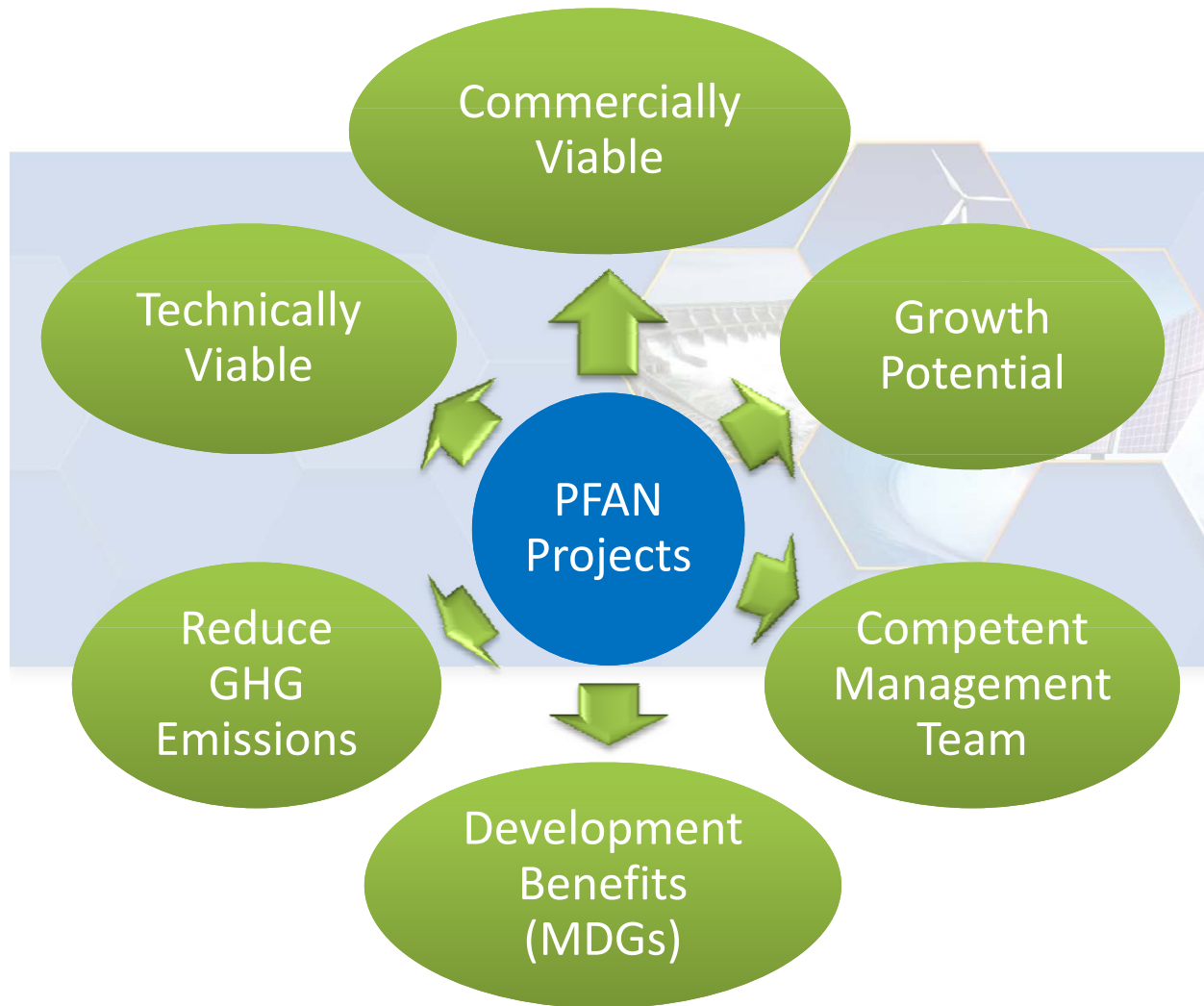
CTI PFAN Methodology

- ❑ Free Coaching on Project Structure, Development & Financing
- ❑ Matchmaking – Sourcing of Equity & Debt / Financing Facilitation
- ❑ 2 Entry Points



connecting clean energy businesses with financing

Project Criteria



- USD 1 – 50 million Total Investment
- Micro Projects (< USD 1 million)
- Wind / Solar / W2E
Biogas / Hydro / EE / Biomass / Biofuels / Geothermal / Rural Electrification / Clean Transport / Mitigation / Adaptation
- Technology Neutral

CTI PFAN'S FUNDING MEMBERS



USAID
FROM THE AMERICAN PEOPLE

CTI CLIMATE TECHNOLOGY INITIATIVE

ICET



renewable energy & energy efficiency partnership

Oiea Energy Technology Network

Energy and Climate Partnership of the Americas
ECPA

CTI PFAN'S MEMBERS



PPL
INTERNATIONAL

La Guardia

DAWN CONSULTING
Financial Strategies for Formation & Transformation

CSi CleanEnergy Solutions International

UGANDA CARBON BUREAU



BIOMASS

TCF Limited

DBSA
Development Bank of Southern Africa

Persistent Energy PARTNERS

msw

ecosoluzioni

TFJ PARTNERS

IDI Industrial Decisions, Inc.

Global Sustainable

Renewable Energy Ventures (K) Ltd
• CLEAN • EFFICIENT • AFFORDABLE • SMART •

Regain Paradise Research Consulting

itp

KC KONSERVE CONSULT LTD
Renewable Energy Solutions

IDI infrastructures

S³IDF Small-Scale Sustainable Infrastructure Development Fund

Mareco Ltd

Prime Energy Investments

Nollen Group

sun moksha

FE CLEAN ENERGY GROUP INC.

Santander
GLOBAL BANKING & MARKETS

SHRI SHAKTI
ALTERNATIVE ENERGY LTD

heco
YOUR BUSINESS PLATFORM IN LATIN AMERICA



IG-2SD

firstclimate

Alteer

ReExCapitalAsia
connecting capital with clean energy

SANGHA INVESTMENTS
CATALYZING CONSCIOUS CAPITAL

Bridgecapital



C2E
CLEAN ENERGY ENTERPRISE GROUP, LLC

VERDE AZUL

Palmetto

EI3
EDGE IB

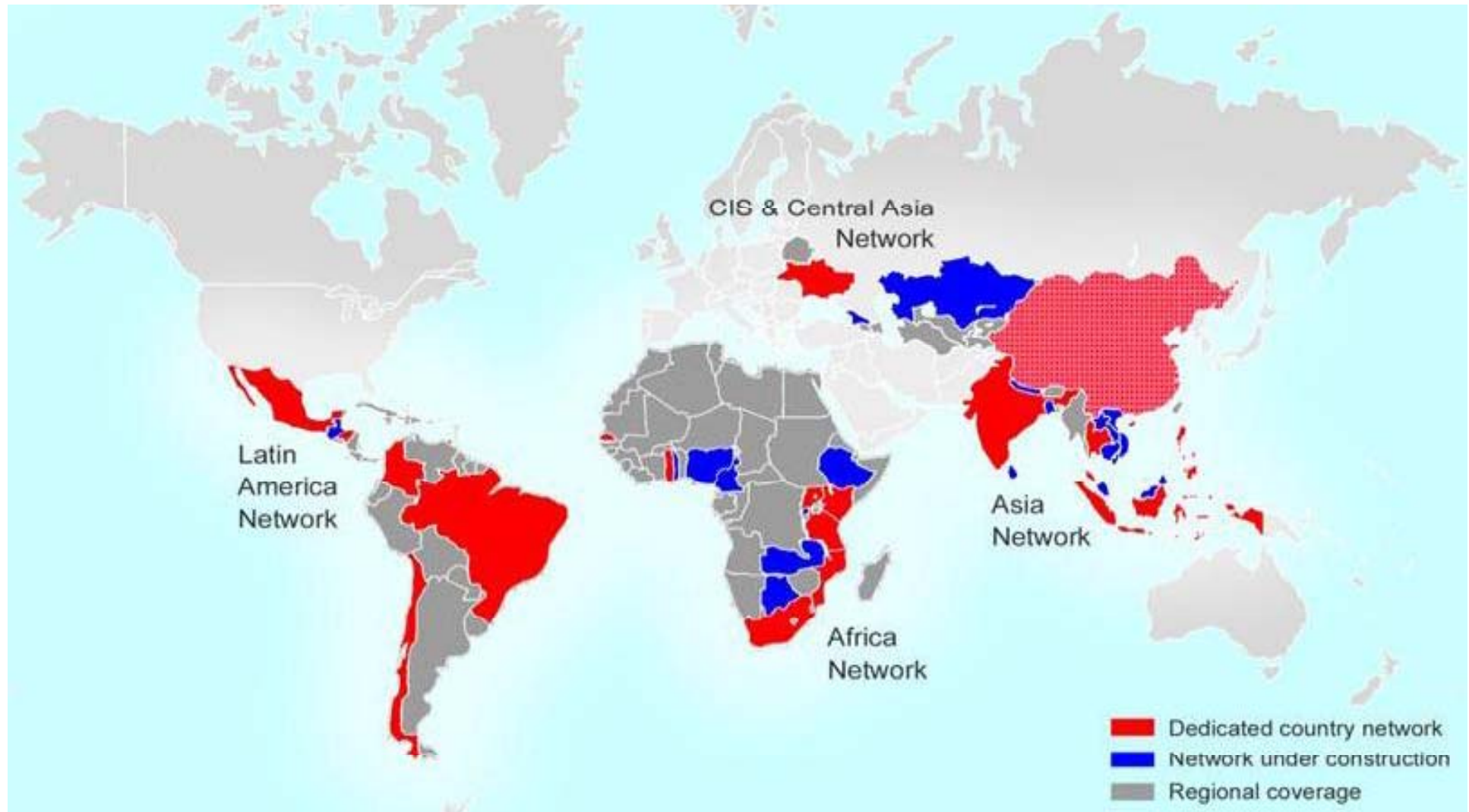
NEXUS
beyond expectations

CARIBBEAN ESCo LTD.

VIABILITY AFRICA
the point where ventures succeed

CLM CONSULT LTD

Global Snap Shot of CTI PFAN



connecting clean energy businesses with financing

Global Pipeline Overview

□ 221 Projects in the Development Pipeline

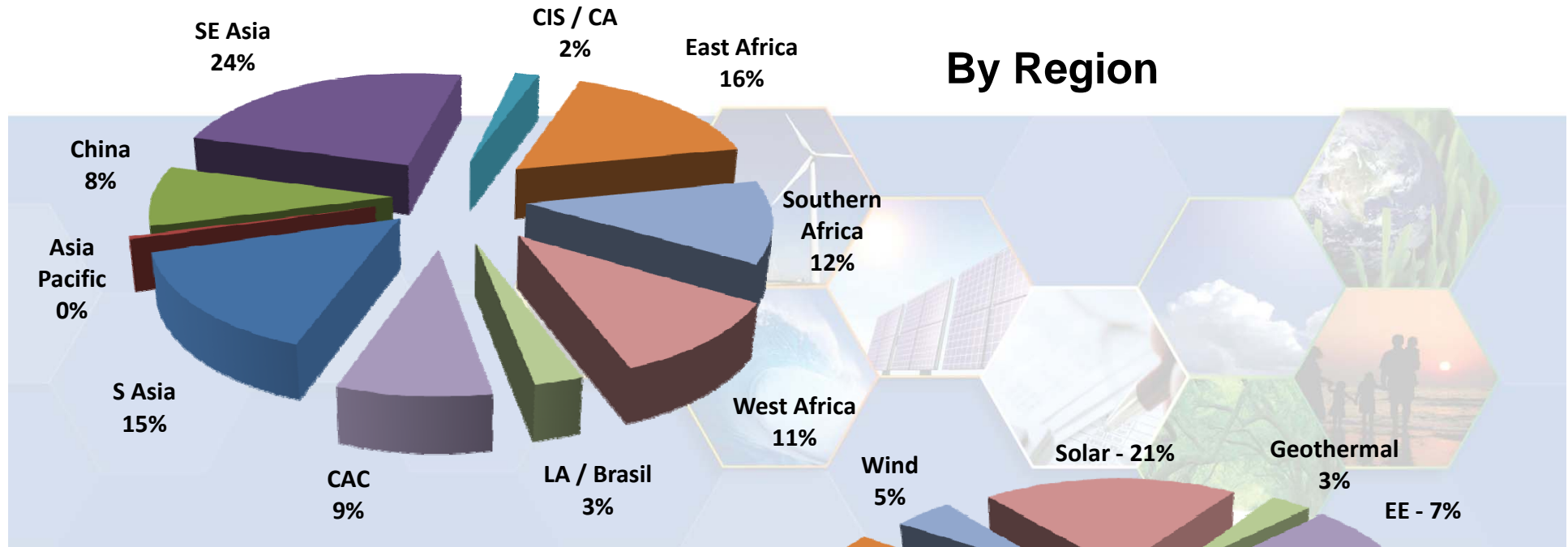
- USD 6 billion of Investment
- 13,5 million tonnes pa CO₂ e GHG reduction potential
- > 4.000 MW of clean capacity

□ 42 Projects Closed / USD 507 million raised

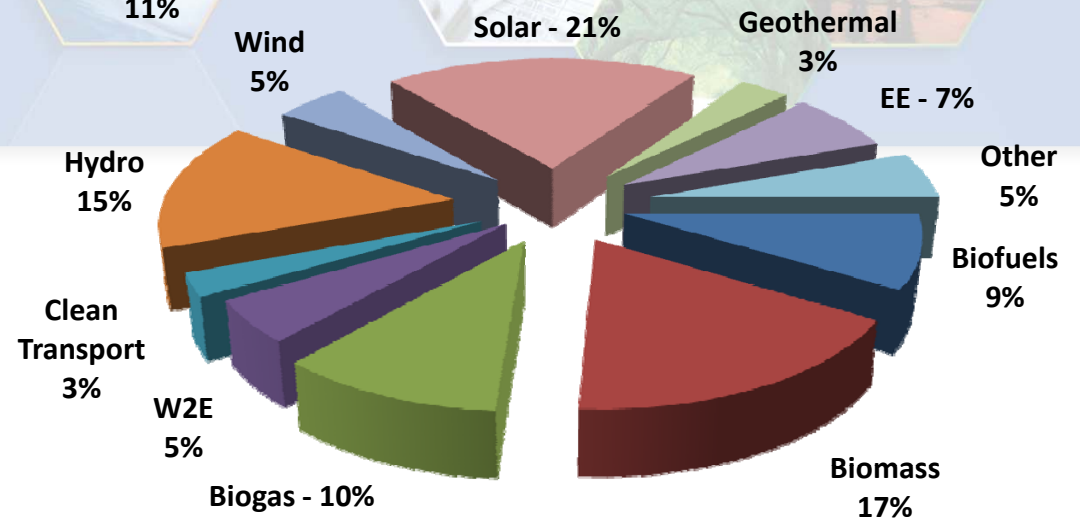
- >330 MW of Installed Clean Capacity
- >2 million tonnes CO₂ e reduction pa
- 94,5 GWhrs pa Energy Savings (EE projects)

Pipeline Analysis

By Region



By Technology



connecting clean energy businesses with financing

Adaptation Work Stream

- ❑ Launched Adaptation Stream of Activity in 2011
 - To see if successful PFAN methodology can be applied to adaptation
 - Same approach as for initial development of PFAN
- ❑ Background Paper
 - http://www.cti-pfan.net/events_detail.php?eventsid=39
- ❑ Exploratory Workshop in Nairobi June 2012
 - http://www.cti-pfan.net/events_detail.php?eventsid=41
- ❑ Initial Pilot Programme
 - 5 Projects as Case Studies
- ❑ Scale-Up & Mainstreaming Programme (USAID – IDRC)
 - Integration of Unique Research Component funded by IDRC
 - 2 – 3 year Programme of Work from 2014

CTI PFAN Working Definition

Adaptation Related Projects (ARPs) are those that help reduce the vulnerability of human and natural systems to the current and future impacts of climate change and climate-related risks, increasing or maintaining adaptive capacity and resilience in the targeted regions and countries through investment for project implementation.

Targeted Sectors

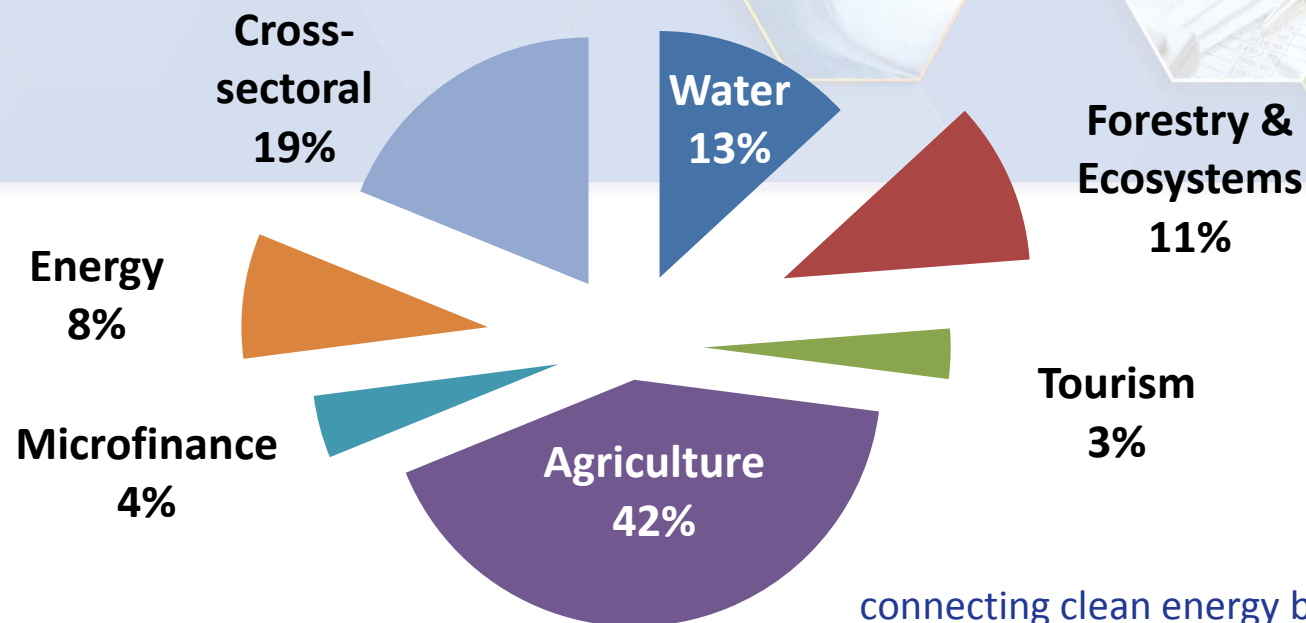
- ❑ Agriculture & Agribusiness
- ❑ Forestry & Ecosystems Services
- ❑ Energy & Access to Energy
- ❑ Water & Sanitation
- ❑ Tourism
- ❑ Coping Mechanisms & Cross Cutting Areas
 - Micro-finance & Micro-insurance
 - Urban Development
 - Adaptation Products & Services



RFP Analytics

- ❑ > 200 Project Proposals Received
 - Ca 100 fully eligible / USD 600 million total investment volume

- ❑ 21 Countries in Sub-Saharan Africa
 - Kenya (34) South Africa (13) Uganda (16) Mozambique (9)
 - Multi-country / regional (5)



connecting clean energy businesses with financing

Initial Learning Points

- ❑ Investment Gap is bigger for Adaptation than for Mitigation
- ❑ Problem of Definition – What is Adaptation?
 - ARPs not recognised as an Investment Category by Investors
- ❑ Lack of Development Capacity
- ❑ Regulatory Complexity
 - Issue of Public Goods
 - Grey areas
- ❑ Execution Risk
- ❑ Need for Blended Finance & Innovative PPPs
- ❑ Hybrid Approaches – Projects with Mitigation & Adaptation components
- ❑ Importance of Enabling Environment

Expected Outcomes of Mainstreaming Work

- ❑ Closed Projects / Pipeline of ARPs approaching Investor Maturity
- ❑ Enhanced understanding of development value chain for ARPs
 - Where are the gaps, challenges and opportunities?
- ❑ Development of an Investor Base for Adaptation Related Projects
- ❑ Development of universal metrics to measure Adaptation Impacts & Benefits across a wide range of technologies and sectors
- ❑ Improvement & Refinement of the CTI PFAN Methodology for ARPs
 - Project Identification & Selection Process
 - Risk Profiles
- ❑ Enhanced understanding of the Policy and Enabling Environment framework required to support Development of and Investment in ARPs