



CTI PFAN

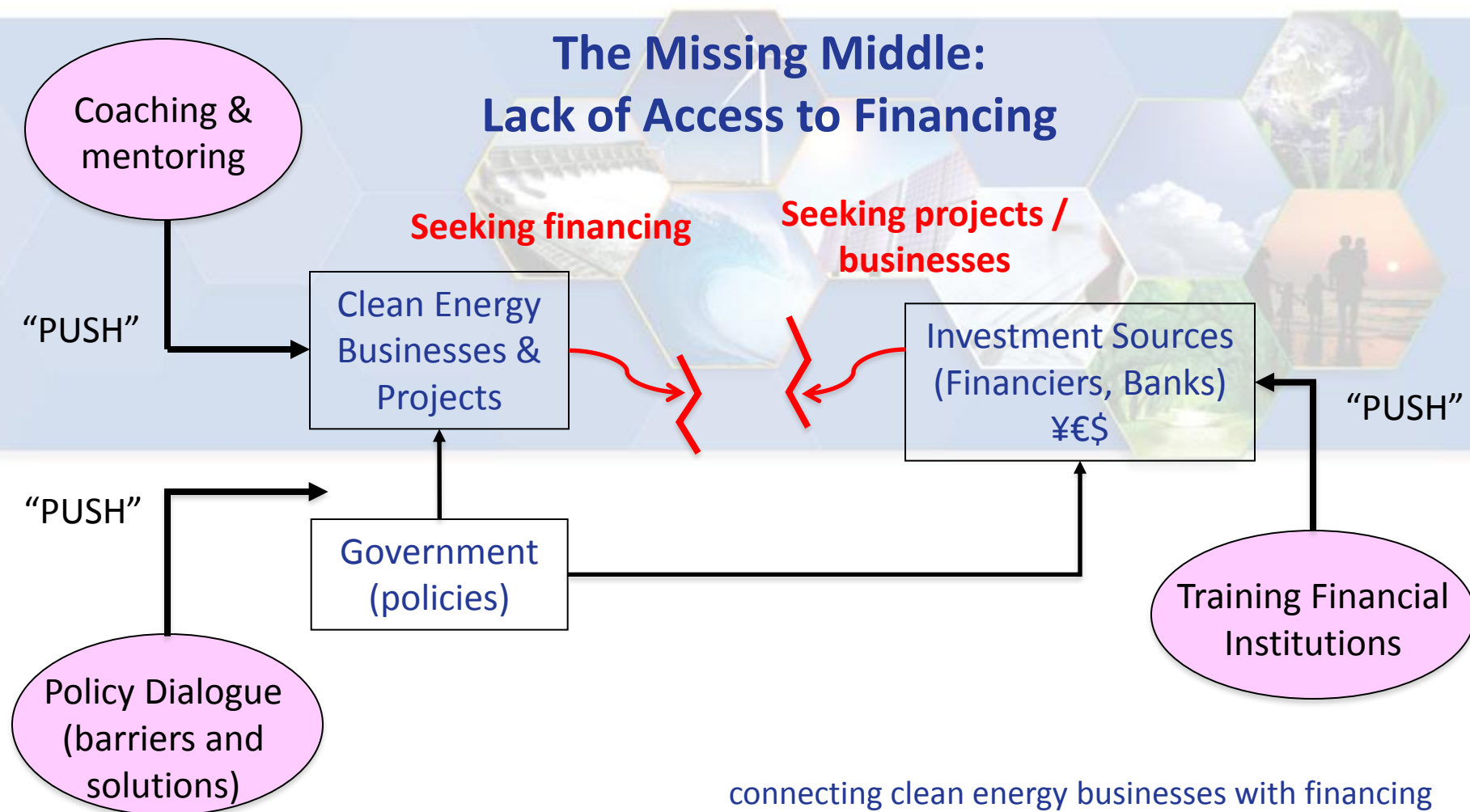
Experiences of an Innovative Programme to Accelerate Low Carbon Technology Investment



IEA Technology Platform
Forging International Finance Collaboration Workshop
Peter Storey, Stockholm, 21st June 2012

CTI PFAN – Objectives

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

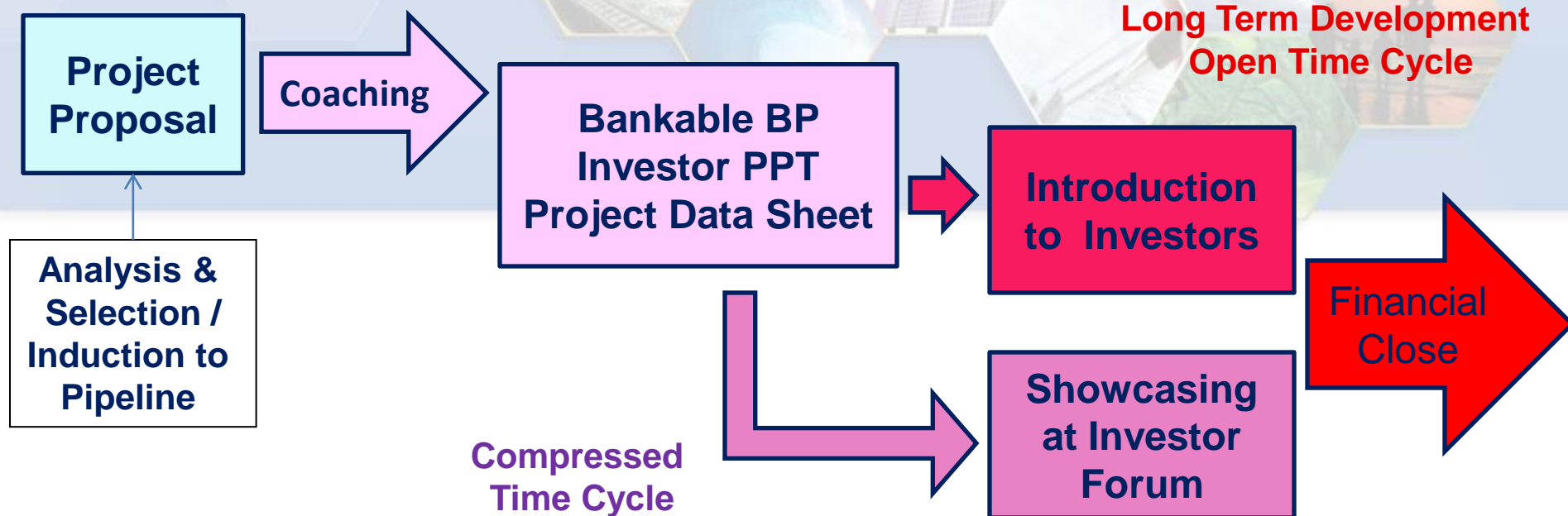


Introduction to CTI PFAN

- ❑ 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

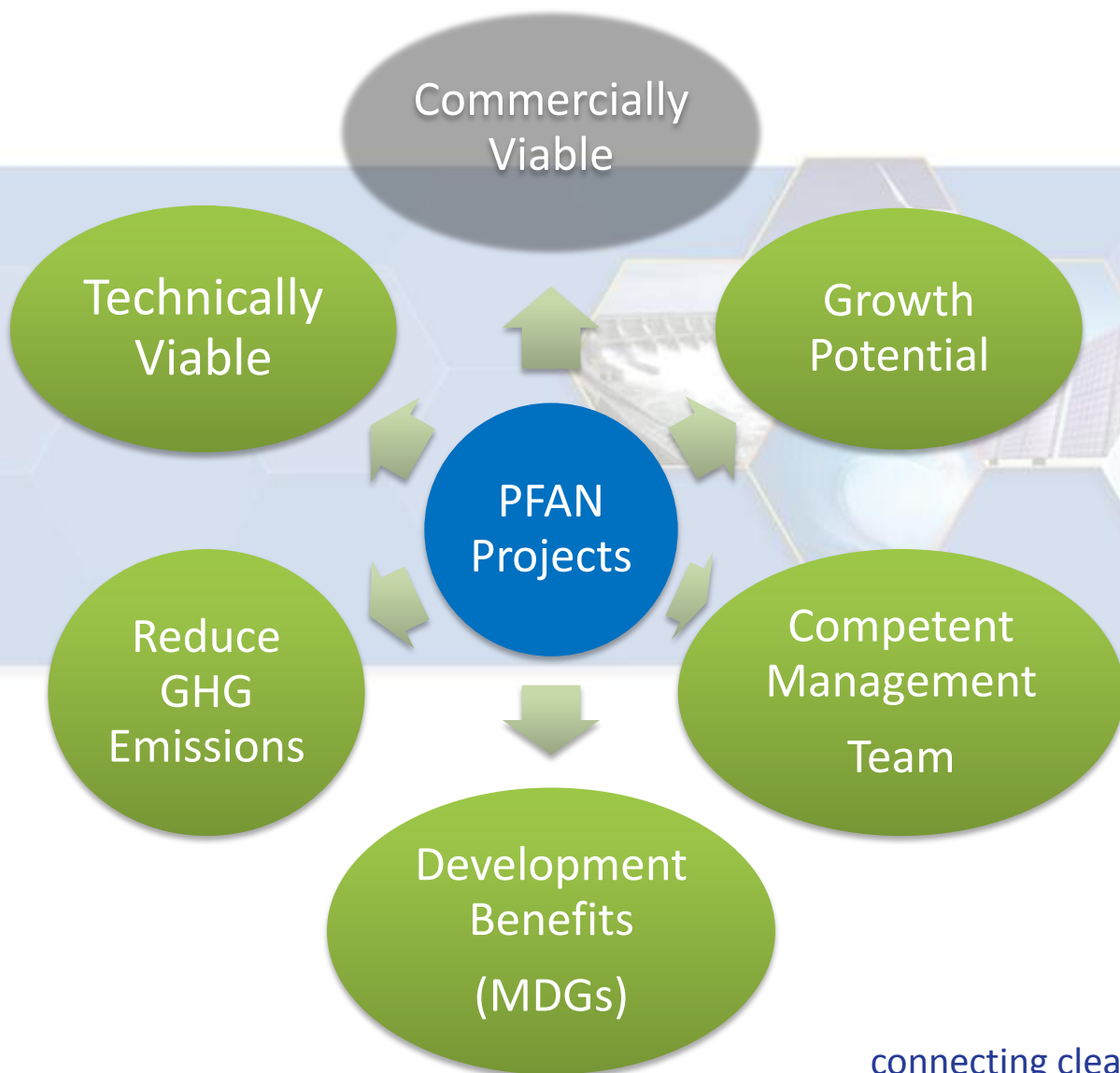
PFAN Services

- ❑ Free Coaching on Project Development & Financing
- ❑ Matchmaking – Sourcing of Equity & Debt
- ❑ 2 Entry Points
 - Unsolicited Proposal Submission for Development Pipeline from any Source
 - Regional & Country based RFPs / (CE Financing Fora)



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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

Pipeline Overview

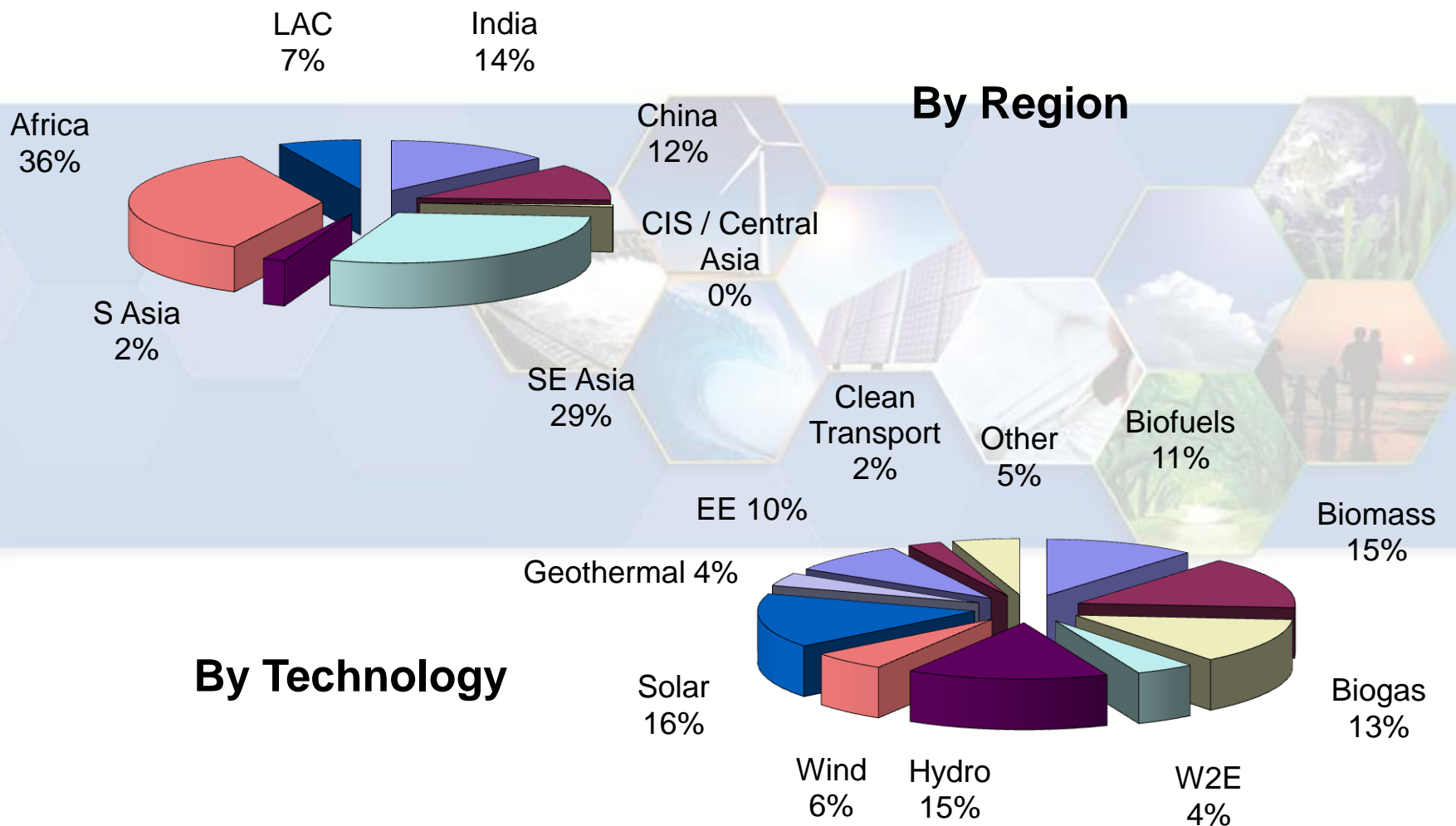
160 Projects in the Development Pipeline

- USD 4,9 billion of Investment
- 7 million tonnes pa CO₂ e GHG reduction potential
- > 2.041 MW of clean capacity

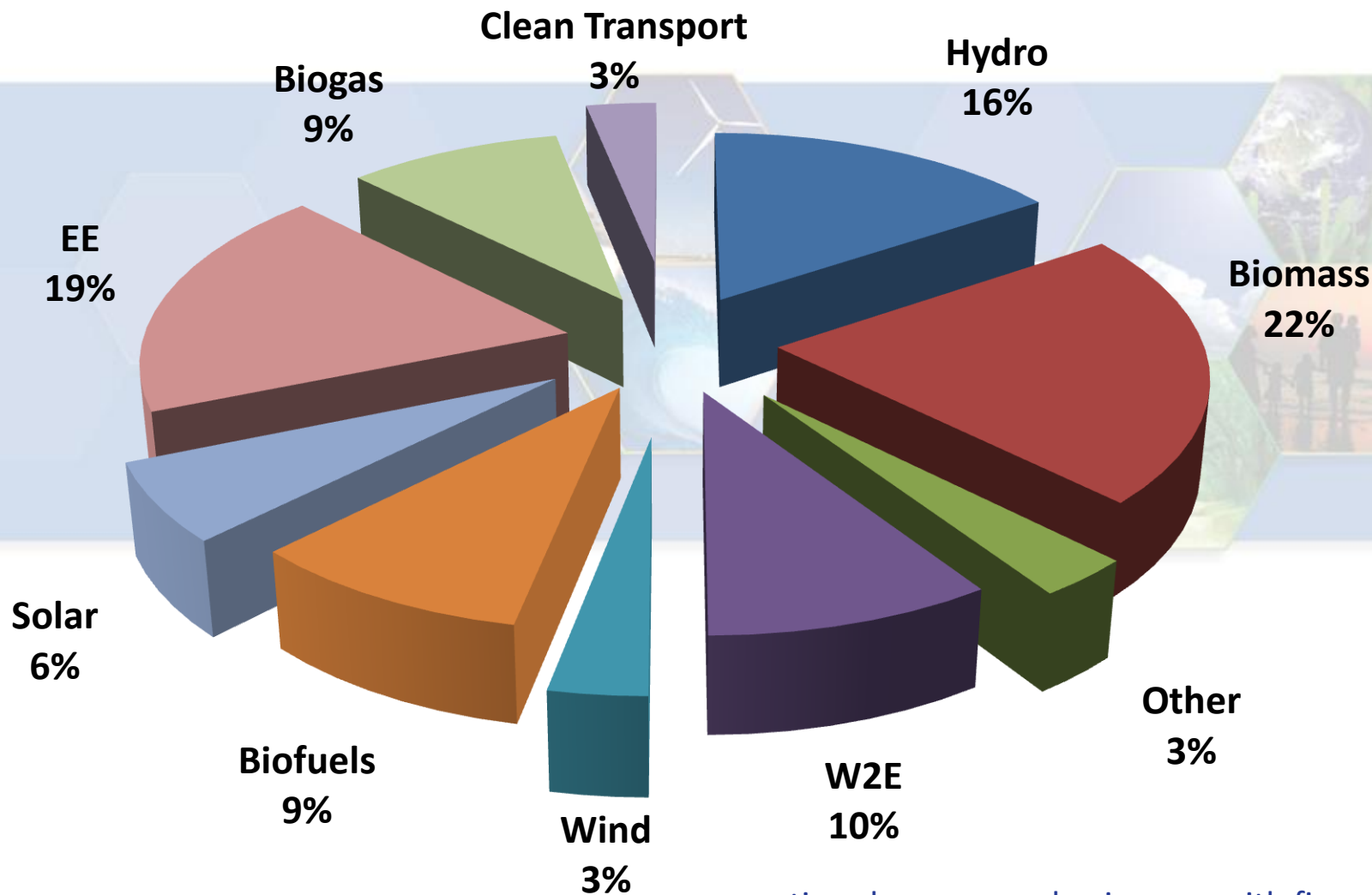
□ 32 Projects Closed / USD 404 million raised

- 303 MW of Installed Clean Capacity
- 1,8 million tonnes CO₂ e reduction pa
- 94,5 GWhrs pa Energy Savings (EE projects)

Pipeline Analysis at 20.06.2012

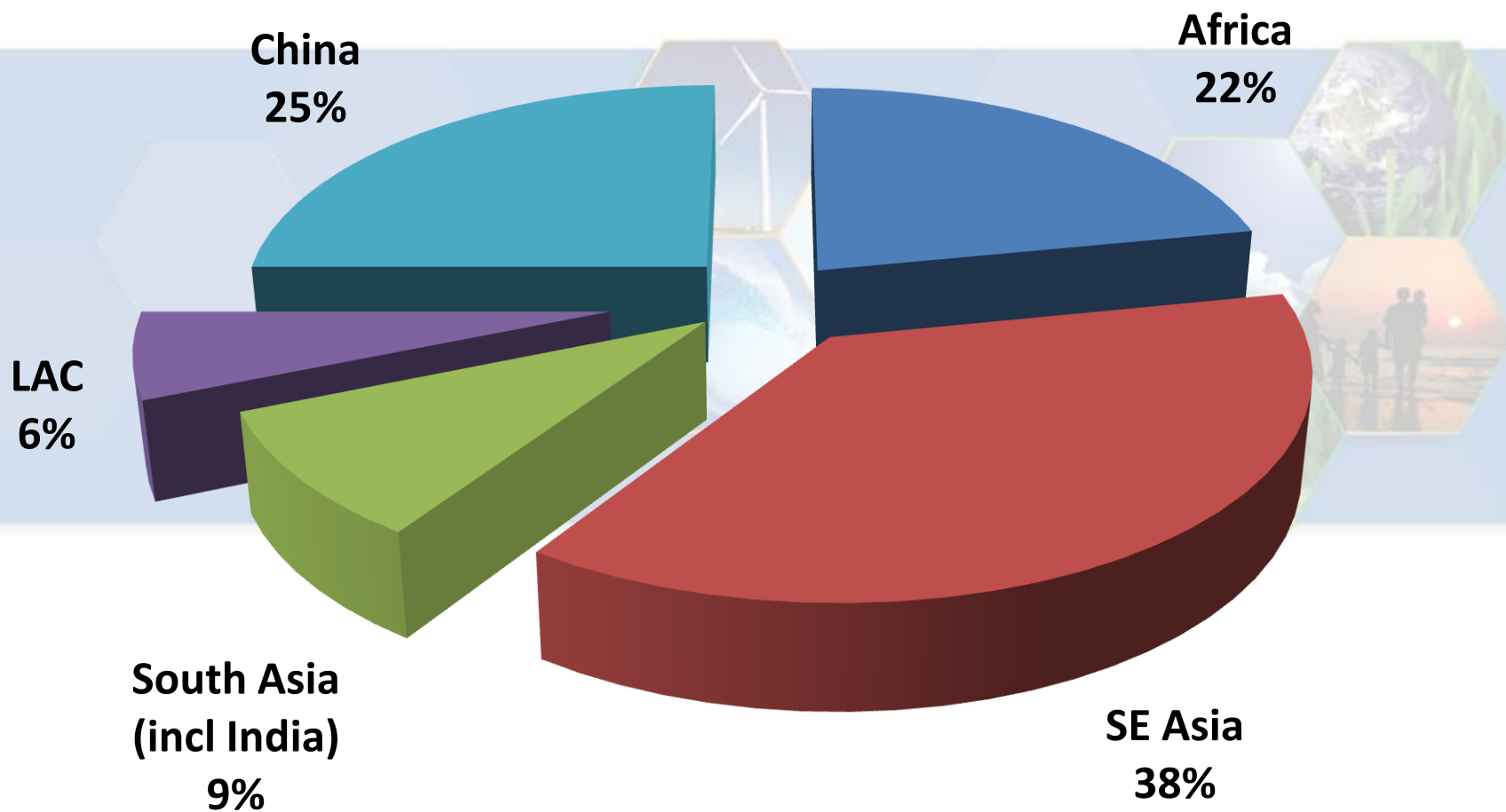


Closed Projects by Technology



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Closed Projects by Region



Experiences & Learning Points

- ❑ Investment is not being constrained by lack of projects or lack of funding per se
 - Lots of good viable projects out there
- ❑ Some Gaps
 - Early Stage Development Funding / Proof of Concept
 - Requirement for late stage TA Funding to achieve Conditions Precedent
 - Developer Capacity Gap
 - Investor Awareness Gap
- ❑ Importance of Regulation (correlation to pipeline activity & success)
- ❑ Market Differentiation at regional and country levels
 - Difficulty of implementing global activities

Experiences & Learning Points (2)

- ❑ Possibility of sustainability in the more mature markets
- ❑ Structural Constraints
 - Bottom - Up vs. Top - Down
- ❑ Shortage of qualified & experienced personnel who combine technology, commercial and financing skills
- ❑ Technology Availability is not a barrier
 - Technology fear at the institutional / regulatory level
- ❑ Investors are not looking for successful business models built around technology (not technologies)
 - Innate conservatism of investors faced with innovative models combined with (relatively) new technologies
 - Potential for Leap-Frog Models (eg Barefoot Power)

Summary

- ❑ Need for a market facilitator, especially in the least developed and less sophisticated markets
- ❑ CTI PFAN is a successful model. Good Success Rates
 - Getting More Projects to Financial Close & facilitating Interaction between Developers & Investors
 - Reducing Transaction Costs - Accelerating the rate of investment.
- ❑ High levels of Donor Leverage
 - > 1:100
- ❑ Challenge is moving to scale while retaining impact and sustainability levels, especially within the bottom-up approach.

Contacts

- ❑ Michael Rantil, Chair of CTI (michael.rantil@energimyndigheten.se)
- ❑ Elmer Holt, Vice Chair of CTI / PFAN Manager (elmer.holt@hq.doe.gov)
- ❑ Taiki Kuroda, Programme Secretariat (kuroda@icett.or.jp)
- ❑ Peter Storey, Global Co-ordinator (peter.storey@ppl-int.com)

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Thank You