



The Climate Technology Initiative's
Private Financing Advisory Network
- CTI PFAN -
at

"Green Solutions, Clean Tech & Development",
Härnösand, Sweden, May 19, 2010

Michael Rantil, Swedish Energy Agency

Climate Technology Initiative (CTI)

- ❑ Implementing Agreement under the International Energy Agency in support of UNFCCC

Currently 11 Member Countries:

- Austria, Australia, Canada, Finland, Germany, Japan, Norway, South Korea, Sweden (Swedish Energy Agency), UK & US (Chair)
- ❑ Objectives: ***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***
- ❑ CTI works with
 - Governments
 - IEA & UNFCCC Secretariats
 - Export Group on Technology Transfer (EGTT / UNFCCC)
 - International Organisations (WB / UNDP / UNEP / UNIDO)
 - Business & Financial Sectors

connecting clean energy businesses with financing

WHAT IS CTI PFAN?

- ❑ CTI PFAN is a Multi-Lateral Initiative:
 - CTI Countries / APP / ICETT / REEEP / USAID

- ❑ CTI PFAN goals:
 - to accelerate technology transfer and diffusion under the UNFCCC
 - to reduce GHG
 - to promote low-carbon, sustainable economic development
 - to increase financing opportunities for promising clean energy projects

- ❑ Connects CE projects with Investors / Financing
 - Real projects on the ground making a real impact

- ❑ Network of Private Sector Professionals
 - Investors / Consultants
 - Developing Country experience & appetite
 - Over 40 full members & growing fast
 - Large database of investors > 100

CTI PFAN'S FUNDING PARTNERS



USAID
FROM THE AMERICAN PEOPLE

CTI CLIMATE
TECHNOLOGY
INITIATIVE

ICET



renewable
energy
& energy
efficiency
partnership

CTI PFAN NETWORK MEMBERS



FE CLEAN ENERGY GROUP
INC.



HCConsulting

S³IDF | Small-Scale Sustainable
Infrastructure Development Fund



華興資本
CHINA RENAISSANCE



RATIONALE FOR CTI PFAN

- ❑ Lack of sufficient Public Funds to make an impact on Technology Transfer for Climate Change
 - Need for the Private Sector
- ❑ Missing Middle
 - Lots of Projects / Lots of Investment
 - Little & insufficient interaction & communication between the 2 sides
- ❑ PFAN seeks to bridge that Investment Gap
 - Acts as a broker between the money and the projects
 - Strengthens the capacity of the project developers to present their projects in a way that investors and financiers can readily understand

WHAT SERVICES DOES CTI PFAN OFFER?

- ❑ CTI PFAN provides support & advice to selected projects to help them meet the criteria of the Investment Community
- ❑ **Free** coaching service to project sponsors & developers to help them raise private sector finance
 - Project Development / Commercial & Financing Structure
 - Marketing / Technical Issues / Growth Strategy
 - Preparation of Business Plans, Investment & Financing Proposals
 - Sourcing Equity & Debt
- ❑ Technical Assistance
 - Contributions to the cost of technical studies etc
- ❑ Matchmaking Service: Contact Broking & Introductions
- ❑ Investment / Financing – directly from PFAN Members & their Networks

HOW DOES IT WORK?

2 Entry Points:

❑ Unsolicited Proposal Submission for Development Pipeline

- From any source
- Induction Review: rigorous but non-bureaucratic
- PFAN Member assigned to project as dedicated Coach
- 3 Phase Development Framework
 - Preparation of the business plan
 - Introduction to Investors
 - Guidance to Investability & Financial Closing

❑ Regional & Country based CE Financing Forums

- Project selection
- Intensive Coaching on Business Plan & Investor Pitch
- Showcasing in front of Investors at Forum
- Projects inducted into Development Pipeline

PROJECT CRITERIA

- ❑ Target Project Size: USD 1 – 50 million total investment volume
 - Smaller & larger projects possible
 - Ca 15% of portfolio for Micro-Projects (< USD 1 million)
- ❑ Typical Project Type: mitigation projects for generation of power or production of biofuels
 - Wind, Solar, Geothermal, Biomass, Biofuels, Small Hydro
 - PFAN is technology neutral
 - EE / Adaptation / Forestry
- ❑ Commercial & Technical Viability
 - Adequate return on investment
- ❑ GHG reduction / abatement potential
- ❑ Other developmental benefits
 - MDGs: agricultural development, poverty reduction, health, education, female economic participation etc

ACTIVITY HIGHLIGHTS

❑ Asia Regional Network

- Dedicated Country Networks in China, India, Indonesia & Philippines
- 36 Projects in Development Pipeline / ca. 20 pending: > USD 2 billion
- 2nd year of CE Financing Fora in Manila, Jakarta, Beijing, Delhi & Asia Regional Forum
- USD 36 million of financing raised (commitment up to \$ 230 m)
- USD 76 million / 3 projects under active negotiation

❑ Latin America Regional Network

- Dedicated Coverage in Brazil, Chile, Columbia & Mexico
- Other Countries eligible
- Caribbean SIDs from 2010
- 8 projects in Development Pipeline / USD 132 million of investment
- 2 Project Closings / USD 35 million raised
- Handling Capacity 30 – 40 projects
- Brazil CE Financing Forum in July 2010

ACTIVITY HIGHLIGHTS

- Africa

- ❑ Active since May 2009 (low level operations during 2008)
- ❑ Regional Network Coverage
 - All countries in the Region eligible
- ❑ Dedicated Country Networks in Mozambique & Uganda
 - Uganda Carbon Bureau – Country Coordinator in Uganda
 - Verde Azul – Country Coordinator in Mozambique
- ❑ Development Pipeline Highlights
 - 1 project closed / USD 5 million leveraged
 - Transfer Projects from Brazil to Mozambique / Laos to Uganda
 - 4 projects in development pipeline / 31 projects under review
 - Handling Capacity: 30 – 40 projects over 3 yrs to 2012
 - Leverage Target: USD 40 – 100 million

AFRICEF – Africa Forum for Clean Energy Financing

- ❑ Call for Proposals launched in Feb 2010
 - Africa wide: proposals from developers in all African countries eligible
 - Focus on Mozambique, South Africa & Uganda
- ❑ 65 Project Proposals received from 14 Countries
- ❑ 16 Projects Shortlisted
 - Ghana, Kenya, Mozambique, South Africa, Tanzania, Uganda
 - Intensive 1-on-1 coaching in preparation of the Forum
 - Project Development Workshops in Johannesburg, Kampala & Maputo
- ❑ A further 21 projects earmarked for induction to the CTI PFAN Development Pipeline
 - Long term coaching & profiling with Investors
- ❑ 10 best Projects from the Shortlist will present their projects to Investors at the AFRICEF Investor Forum in Johannesburg on 21st July 2010.

PROJECT SAMPLES

- ❑ **Productive Energy in Northern Mozambique**
 - Establishment of Cold & Logistics Chain to get fish to cash markets
 - Gasification of Coconut Husks / Containerised Solution / Mini-grids
 - 6 Village Pilot (USD 1 million)
 - 200 village target / 800 village potential @ 12.000 kg / village pa

- ❑ **Brazilian – Mozambique Transfer Project**
 - Solar Powered Hydroponic Farming for small holders
 - High Value Cash Crop to produce economic uplift based on RE inputs

- ❑ **Chile: 15 MW Biomass Co-Generation Plant (USD 27 Million)**
 - Captive plant for a forestry company and paper manufacturer based on forest & wood waste feedstock.

Project Samples

- ❑ 12 MW Biomass Powerplant in the Philippines
 - USD 30 million for Phase 1 successfully raised
 - Phase 1 of a 4 phase 246 MW total project (ca USD 450 m total)
 - Annual GHG Reduction of Phase 1 = 40.000 t CO₂e
 - Innovative Project Structure
 - CTI PFAN helped ASEA One develop its business plan, introduced the investor and facilitated deal negotiations. Forum Finalist

- ❑ Rural Electrification Projects in Africa (Solar)
 - Innovative Logistics
 - Innovative Delivery Systems
 - Payments: microfinance & market exchanges

Closing Summary

- ❑ CTI PFAN is proving to be a succesful & worthwhile / valuable tool
 - Considerable Financial Leverage: small input ⇨ big result
- ❑ Current Development Pipeline of over 45 projects / > USD 2 billion of investment
 - Ca 20 projects pending induction
 - Incoming projects from AFRICEF & 2010 CE Financing Fora in Asia & Brazil
- ❑ CTI PFAN is open for business in Afirca, Asia, LAC & CIS
 - Continued expansion through 2010 / 2011
 - Actively seeking new Projects
- ❑ CTI PFAN would be pleased to look at new proposals

CONTACTS

❑ General Enquiries / Membership etc

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