Innovative Climate and Project Finance with the CDM

Bonn - May 16, 2016

Our values
Predictable
Driving results
Changemakers
Working together
Outline

• Scatec Solar’s Carbon & Climate Finance Strategy

• Innovation Using the Clean Development Mechanism
An Integrated Independent Power Producer

Scatec Solar Develops, Builds, Owns & Operates Solar Plants for 20 Years

- Own development
- Local partners
- Equity and debt structuring
- Engineering
- Procurement
- Project management
- Performance Management
- Maintenance and repair
- Long-term ownership
- Asset management
Our projects are UN-Certified

Scaling Up Solar PV Generation
http://cdm.unfccc.int/ProgrammeOfActivities/Validation/DB/OX3K0512SQULKQJYA6R27JVBK0/view.html

CDM Program of Activities

Host Countries
Mali, Burkina Faso, Bangladesh, Kenya, Ghana, Egypt, Pakistan, South Africa

CDM Project Activities
Segou, Zagtouli, Various, Various, Various, Various, Various, Round IV
Outline

• Scatec Solar’s Carbon & Climate Finance Strategy

• Innovation Using the Clean Development Mechanism
Barriers to Accelerated Deployment

- Power purchase agreement counterparty has a poor credit rating
- Host country may not guarantee the power purchase agreement counterparty
- Cost of capital is too high to allow for an affordable tariff to be delivered
- Project is capable of delivering climate mitigation and/or adaptation benefits (positive externalities) that are currently not able to be assigned a financial value
- Specific physical limitations in the host country that result in higher than usual capital costs in respect of international benchmarks
Benefits of the Clean Development Mechanism

Additionality Assessment

- CDM is the only mechanism available today that can allow for multilateral certification of a project as representing enhanced climate action (additional to business as usual)

Local Stakeholder Consultation

- All CDM projects must be approved by multiagency committees of the Host Country governments and consultation with local stakeholders is mandatory. This adds resilience to the project

Standardization of Project Impact

- Not all tons are the same. Different standards propose different methods of calculation. Not only does CDM reduce confusion, it also provides assurances about environmental integrity

Mechanism is Available Now

- Project developer can pick up and use the mechanism today. There are over 200 methodologies from which to choose. Project design can take full account of modalities
Thank you

Our values
- Predictable
- Driving results
- Changemakers
- Working together