



**Introduction to
The Climate Technology Initiative's
Private Financing Advisory Network
- CTI PFAN -**

**UNFCCC
Asia Pacific Regional Workshop
Preparing TT Projects for Financing**

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INTRODUCTION TO PPL



- ❑ Financing Arranger / Advisor
 - Structured Finance / Project Finance
- ❑ Exclusively for Developing Countries & Transition Economies
- ❑ Special Focus on Clean / Renewable Energy Projects
 - other areas of know how (Infrastructure)
- ❑ Privately Owned / Independent
 - Holding Co & Headquarters in Cyprus / Offices in Johannesburg & Kiev
 - Activities: Africa, Asia, CIS
- ❑ Involvement with CTI / UNFCCC since 2004
 - Founder Member & Global Coordinator of CTI PFAN
- ❑ More Info @ www.ppl-int.com

INTRODUCTION TO CTI

❑ Implementing Agreement under the IEA in support of UNFCCC

Objectives. Currently 11 Member Countries:

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

❑ 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

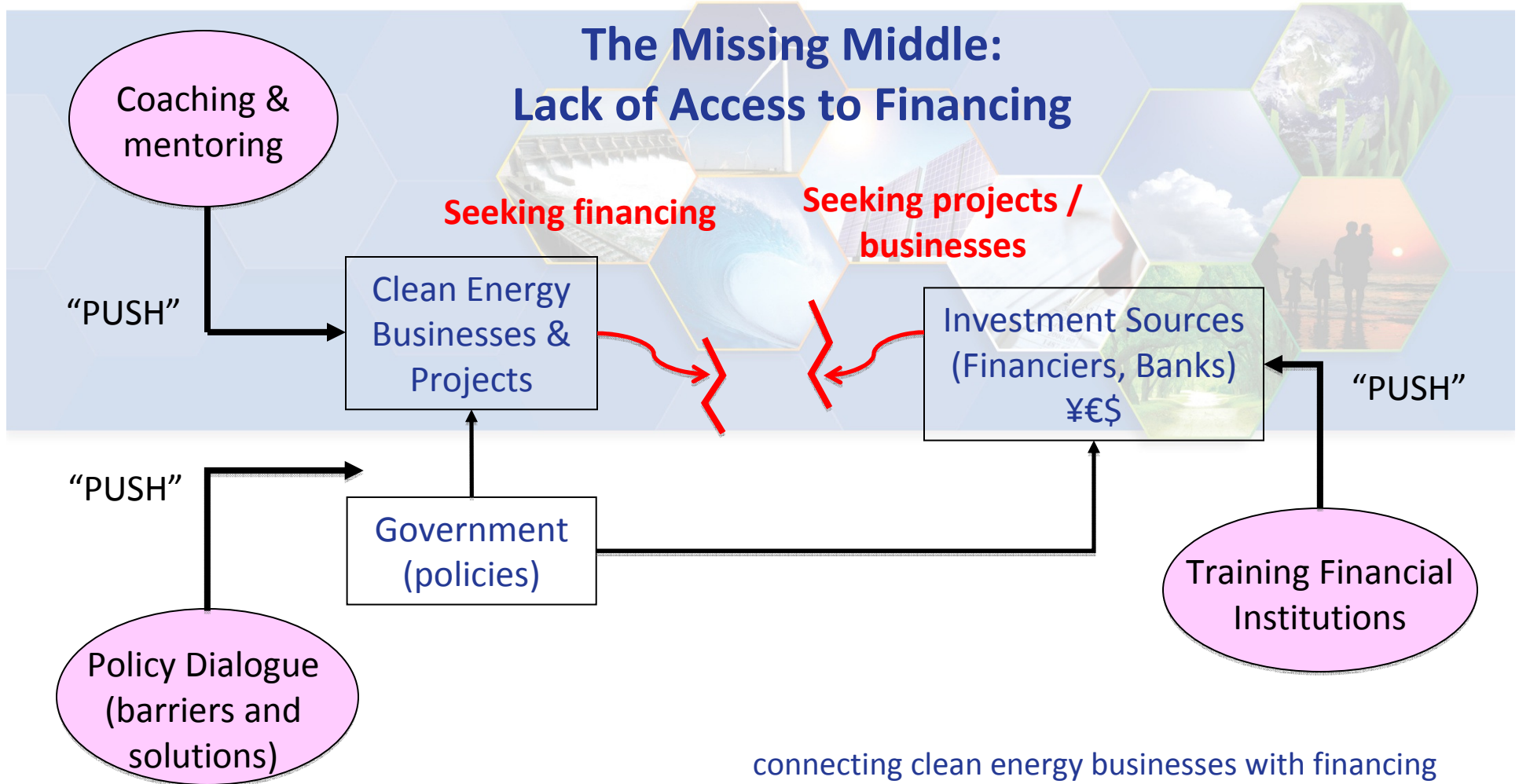
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RATIONALE FOR CTI PFAN

- ❑ Lack of sufficient Public Funds to make an impact on Technology Transfer for Climate Change
 - Need for the Private Sector
- ❑ Workshops in Montreal (2004) & Bonn (2005)
 - To develop an innovative solution to finance TT
 - Inclusion of 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

CTI PFAN – Integrated Programme Design

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



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
- ❑ Triple bottom line approach

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CTI PFAN'S FUNDING PARTNERS



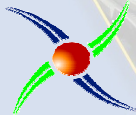
USAID
FROM THE AMERICAN PEOPLE



renewable energy & energy efficiency partnership



CTI PFAN NETWORK MEMBERS



PPL
INTERNATIONAL



Management Consultant
Regulatory Economics & Finance



E+Co
ENERGY THROUGH ENTERPRISE



FE CLEAN ENERGY GROUP INC.



Prime Energy Investments



Small-Scale Sustainable Infrastructure Development Fund



VERDE AZUL



中信
证券



剑平国际投资



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 BP
 - Introduction to Investors
 - Guidance to Investability & Financial Closing

□ Regional & Country based CE Financing Forums

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

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COSTS

- ❑ PFAN Services are provided **free** to the project developer / sponsor
 - Subject to selection
- ❑ Cost of providing the PFAN Services is absorbed by the Funding Partners (CTI / USAID / APP / ICETT / REEEP etc).
- ❑ Provision of services subsidised by the PFAN Members
 - Trade-off: access to the project pipeline for business development
 - Right of First Offer to provide services / financing (non-binding & fully competitive terms)
- ❑ Success Fee on Financial Closing
 - Shared between PFAN and the involved PFAN Consultant according to an agreed schedule

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: CE / RE mitigation projects for generation of power or production of biofuels
 - Wind, Solar, Geothermal, Biomass, Biofuels, Small Hydro
 - PFAN is technology neutral
 - EE / Adaptation / Forestry / Upstream Technology Dvpt Projects
- ❑ 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

EVOLUTION OF CTI PFAN

- ❑ Apr 2006 – Sep 2008: Small Scale Pilot Program
 - 3 Financial Closings raising USD 40 million
- ❑ Dec 2007: recognition / endorsement by COP 13 decisions
 - (4 / CP.13)
- ❑ Oct 2008: Start of Major Scale-Up Programme
 - Funding from CTI / USAID / APP / REEEP / ICETT
 - Multi-year programme to end of 2012 / now extended to end of 2013
- ❑ Global Coverage
 - 4 regional networks: Latin America, Africa, Asia, CIS

NETWORK OVERVIEW

□ Latin America & Caribbean Regional Network

- Dedicated Coverage in Brazil, Chile, Columbia, Mexico
- All other countries in the region eligible
- 11 Projects in Pipeline / USD 132 million investment volume
- USD 35 million raised / 2 project closed
- Brazil CE Financing Forum / Caribbean SIDs during 2011

□ Africa Regional Network

- Dedicated Country Networks in Mozambique, Uganda and South Africa
- Transfer Project from Brazil to Mozambique: solar hydroponics
- 30 Projects in the Development Pipeline – \$ 127 million
- USD 8 million investment raised / 2 projects closed
- Africa Regional CE Financing Forum (Sep 2010)

NETWORK OVERVIEW

- Asia

❑ Dedicated Networks

- China
- India
- Indonesia
- Philippines

❑ Regional Coverage

- Across South East Asia (Vietnam / Cambodia / Laos)
- Sri Lanka / Nepal / Bangladesh

❑ 69 Projects in Development Pipeline



Activity Highlights 2010

❑ Launch of India Network & Activities

❑ 6 CE Financing Fora

- AFCEF 2 / Philippines / Indonesia / China / Africa / India
- 264 Projects identified
- 56 projects showcased / 42 for longer term development
- 1100 participants

❑ Establishment of in-country Networks in Mozambique, Uganda & South Africa

- Base for regional & sub regional African networks

❑ 11 New Projects reaching Financial Closure

- USD 111 million of new investment raised / leveraged

Development Pipeline Summary

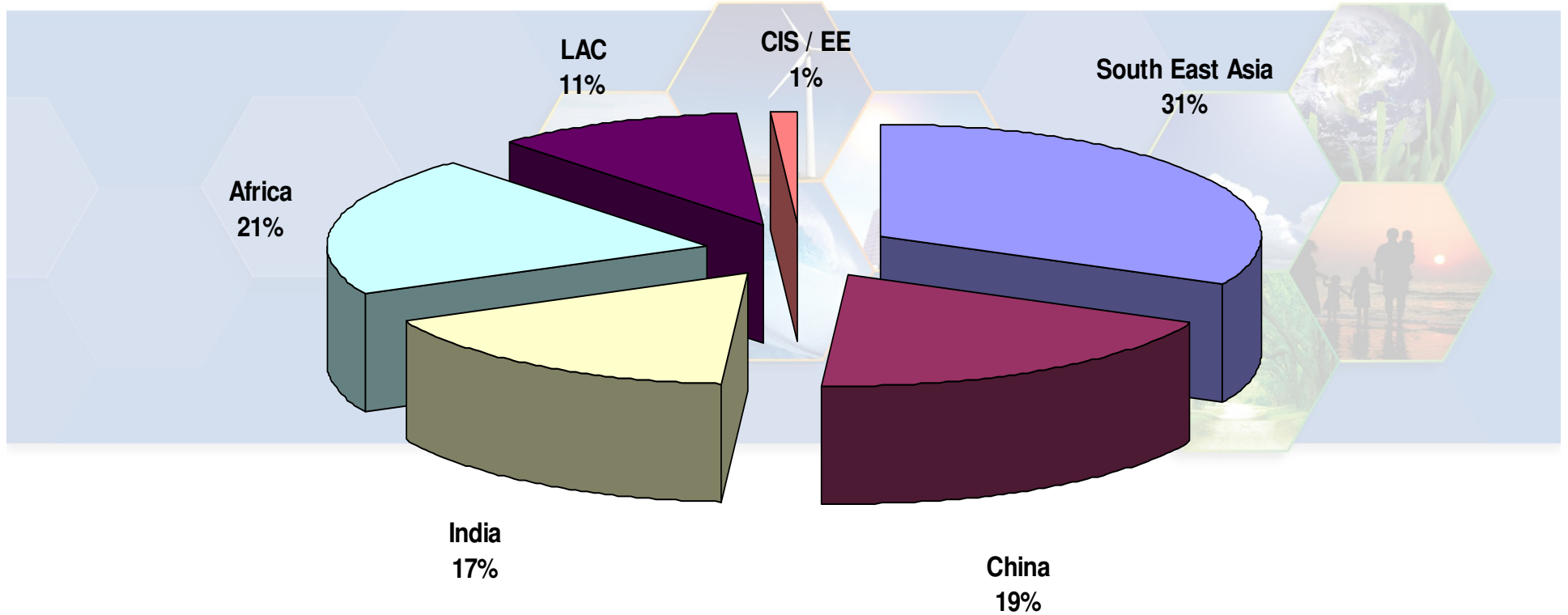
□ 101 projects

- 63 projects in process of induction during Q4 2010
- 40 – 50 less mature projects undergoing longer term development for pipeline induction

□ USD 2,4 billion of total aggregate investment

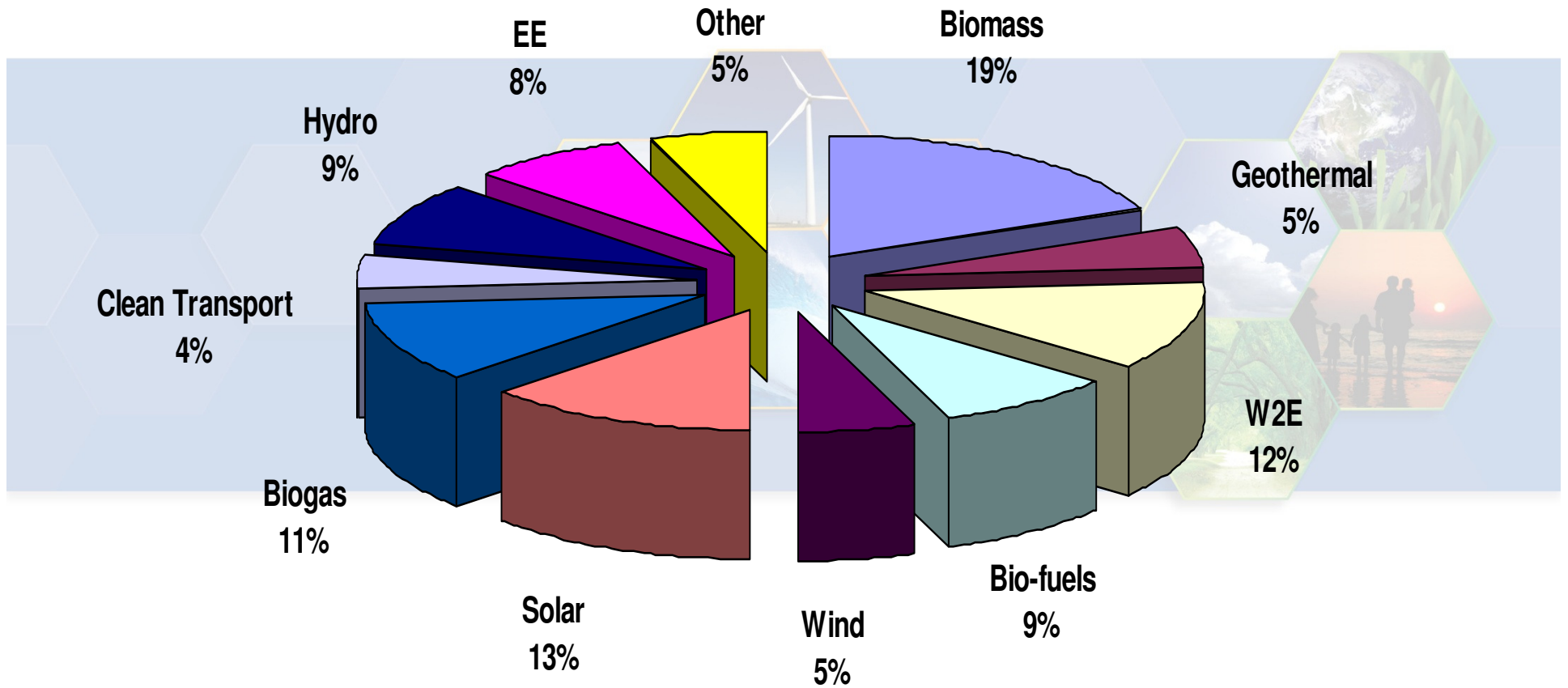
□ > 4,6 million tonnes CO2 e reduction potential pa

Pipeline Analysis by Region



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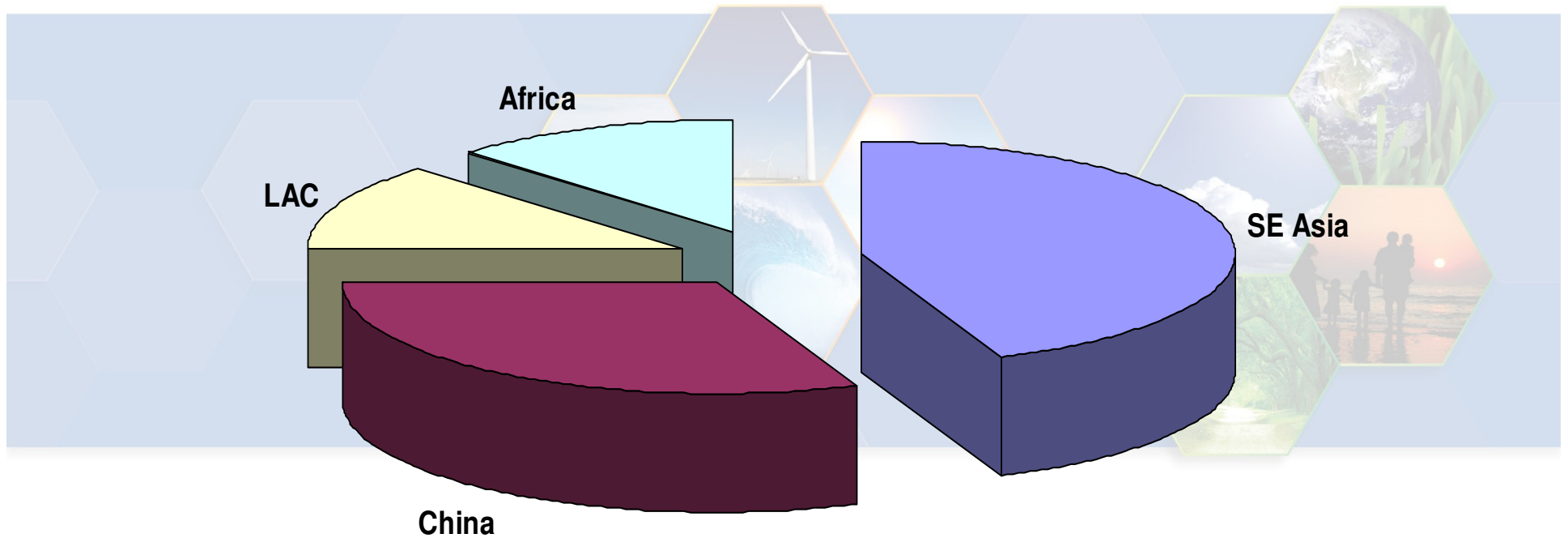
Pipeline Analysis by Technology



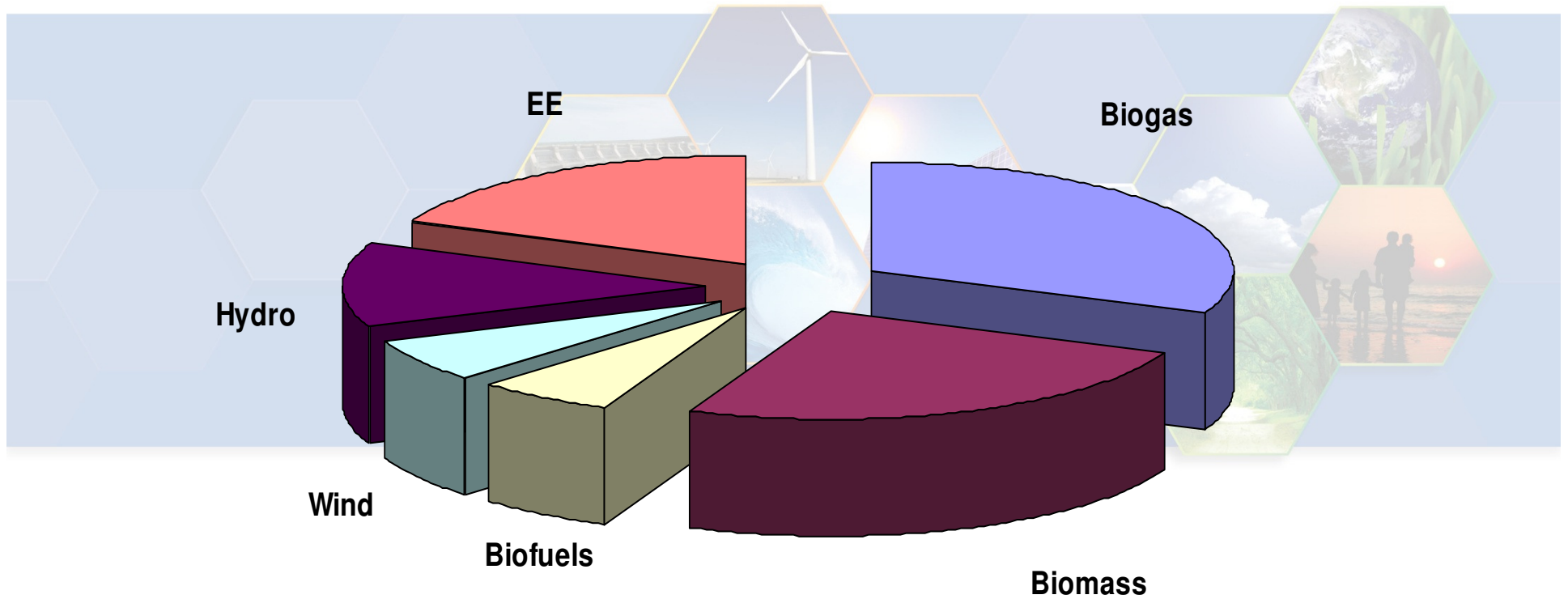
Closed Projects

- ❑ 11 New Projects Closed in last 6 months
 - USD 111 million of Investment Raised
- ❑ 16 Projects Closed in Total
 - USD 184 million of Investment in Total
 - 68,4 MW of Clean Capacity Installed
 - 1,16 million tonnes CO2 e reduction pa
 - 61,3 GWhrs pa Energy Savings (3 EE projects in China)
- ❑ Closure Rate is Accelerating

Closed Projects by Region



Closed Projects by Technology



Project Samples

❑ 12 MW Biomass Power Plant in the Philippines / USD 30 Million

- Rice Husk / 1st of 4 Phases (\$ 236 million total)
- Innovative Project Structure to secure feedstock
- CTI PFAN helped develop the BP & Financing Structure

❑ W2E Project in Thailand / USD 5 million

- 80 tonnes MSW / day anaerobic digestion to biogas / 1 MW
- Scale up to 300 tonnes / day - ca 3,5 MW
- Introduction of gasification for solid waste / non organic component
- 4 Revenue Streams: Gate Fee / PPA / Sale of Fertiliser / CDMs
- Replication

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
- ❑ South - South Technology Transfer
 - Brazil – Mozambique: Solar Powered Hydroponic Farming
 - India – Philippines: Battery technology for E-Trikes
- ❑ BoP / Solar Rural Electrification Projects
 - Barefoot / Tough Stuff / Sunlabob
 - Innovative Distribution & Delivery Models
 - Venture Financing / Rental Systems / Services

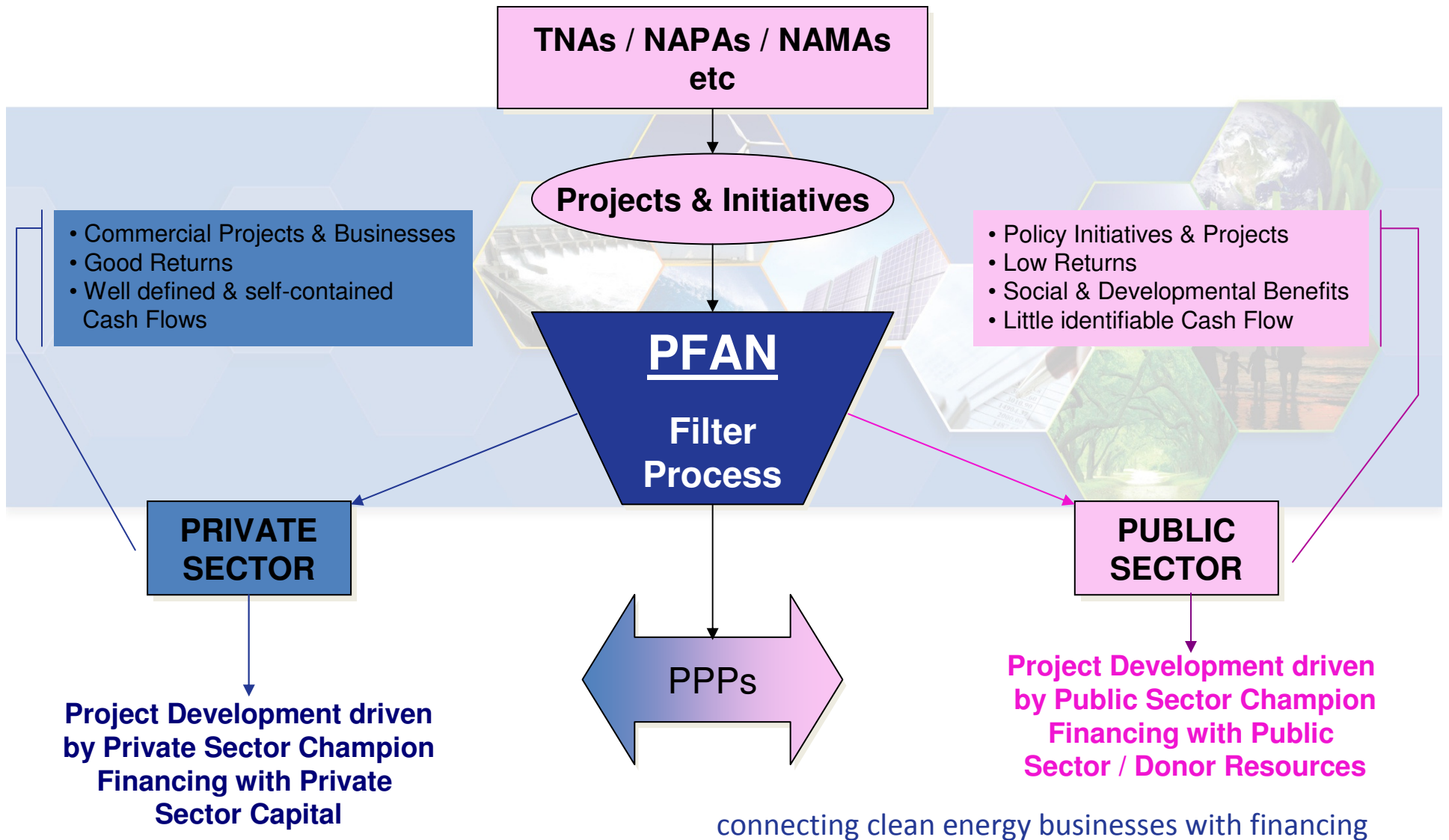
Learning Points from Proposals Seen

- Too much Technology
- Data overload: poor organisation of available data
- No Ask
- Not enough financial information (and too late)
- Key Strengths: what makes the project unique
- Critical Success Factors
- Risk Analysis & Mitigation

Added Value of CTI PFAN

- ❑ Early stage development tools like PFAN are important
- ❑ Resource Optimisation
- ❑ Access to Deal Pipeline for Investors
- ❑ Direct Access to Investors for Developers
- ❑ Symbiotic Network Effect
- ❑ Risk Reduction through targeting of key risk points
- ❑ Reduction of Transaction Costs for all parties
- ❑ Accelerated Development Progress

Filter Role



Planning for 2011 (Asia)

- ❑ Launch of CIS / East European Network

- Coverage of Central Asian Countries

- ❑ Country CE Financing Fora / Investor Workshops

- Philippines, Indonesia, China & India

- ❑ AFCEF 3 – Asia Regional Financing Forum

- September 2011

- ❑ Launch of Adaptation Stream

- 2 Workshops / Pilot Programme

Summary

- ❑ Strong Development Pipeline Growth & Activity levels
 - Broad Regional & In-Country Coverage across Asia
- ❑ Value Provided to Investors & Developers
 - Good Success Rates / Getting More Projects to Financial Close
 - Facilitating Technology Transfer
- ❑ High levels of Financial Leverage
- ❑ Potential for Scale Up and Positioning of CTI-PFAN post 2012
- ❑ CTI PFAN is open for business in Asia
 - Continued expansion through 2011 / Actively seeking new Projects
- ❑ CTI PFAN would be pleased to help workshop participants develop, structure and secure financing for their projects

CONTACTS

□ General Enquiries / Membership etc

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