

Clean energy for NDCs: scaling up private financing

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Giorgio Group: Expanding
Green, Low-Emissions
Finance

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Dialogue. Insight. Solutions.



ENERGY TRANSFORMATION: AN HISTORIC OPPORTUNITY

Global Commitment



COP21 • CMP11
PARIS 2015
UN CLIMATE CHANGE CONFERENCE

Paris lays the groundwork for ambitious country action

Climate Finance



Public and private capital waiting for deployment

Technology Advancements



Declining costs and rising efficiency of technology

UNDERSTANDING GAPS IN PRIVATE SECTOR ENGAGEMENT

- CCAP working with partners to assess the experience of international financial institutions in mobilizing private finance to date
- Multilaterals and bilaterals have good track record, but gaps remain

Limited capacity of domestic banks

Sovereign, policy and currency risks

Bias toward large projects & established technologies

Lack of bankable projects at scale

ENHANCING PRIVATE SECTOR PARTICIPATION THROUGH THE GCF PRIVATE SECTOR FACILITY

PRIORITY

• NEAR-TERM IMPLEMENTATION OPPORTUNITY

Support project development

- Early stage technical assistance to
 - Strengthen national frameworks
 - Build project pipeline

Strengthen domestic financial institutions

- Build capacity of FIs and national green banks to
 - Assess benefits and risks of new technologies
 - Tailor products to support deployment
 - Serve as GCF Accredited Entities

Enhance risk sharing

- Expand guarantees and currency risk tools

Build tools for underserved markets

- Tailor financial instruments
- Adopt flexible investment policies

Replicate and standardize

- Scale up proven solutions:
 - Menu of policy and financial tools, standardized documents and business models
 - Accelerate/simplify access

REPLICATE AND STANDARDIZE: AN EXAMPLE FOR DISTRIBUTED ENERGY SOLUTIONS

Program Element

Potential Support Channel

Support the development of best practice regulatory solutions

- Interconnection standards
- Net metering

Promote proven business models

- Third party developed
- Utility developed

Standardize project tools

- Legal documents
- RFP templates

Make available financial solutions

- Equity funding
- Guarantees for financial institutions

Advisory services and TA through GCF Readiness and Project Preparation Facility

Financial facilities through defined accredited entities with GCF first-loss support

PHILIPPINES DISTRIBUTED SOLAR NAMA: A HIGHLY REPLICABLE PROGRAM

Support the development of best practice regulatory solutions

- Streamline interconnection standards
- Streamline permitting processes
- Improve net metering regulation

Promote proven business models

- Accredit vendors & create a technology certification program

Standardize project tools

- Develop standard products, documents, technology and project evaluation within local banks

Make available financial solutions

- Guarantee fund
- Standardized financial products through local banks

HOW CAN THE GCF'S PRIVATE SECTOR FACILITY ADVANCE CLEAN ENERGY INVESTMENT?

Tools available

Potential approaches

Readiness and project preparation

- Scale up early stage support to build private sector project pipelines

Accreditation

- Prioritize accreditation of domestic institutions and enhance capacity building

Financial instruments

- Increase risk appetite and scale up risk-sharing instruments

Requests for Proposals

- Design Requests for Proposals that address underserved markets

Programmatic approaches

- Design and deploy replicable program offerings

THANK YOU!

For more information,
please visit us at
www.ccap.org