



An Introduction to CTI PFAN and its Services for CTCN & National Designated Entities

**CTCN - Africa Regional Networking Meeting
for National Designated Entities**

Bobby Namiti
Arusha, June 2015

Agenda

- ❑ Session Objectives
- ❑ Introduction to CTI PFAN and its Services
- ❑ CTI PFAN Services for CTCN / NDEs
- ❑ Criteria for Project Identification & Selection
- ❑ Q & A
- ❑ Interactive Exercise
- ❑ Summary & Benefits of Working with CTI PFAN

Session Objectives

- ❑ Introduce CTI PFAN & Its Services for CTCN / NDEs
- ❑ Help NDE's recognize, identify and evaluate technology deployment projects which have the potential to raise private sector investment and which may be suitable for response requests
- ❑ Help NDEs recognize the potential and importance of Private Sector for Financing & Project Implementation
- ❑ Help NDEs access CTI PFAN Services and support in their countries
- ❑ Help NDEs fulfil their mandate / role



Introduction to CTI PFAN

❑ 296 Projects in the Development Pipeline

- USD 6,9 billion of Investment
- 12,8 million tonnes pa CO2 e GHG reduction potential
- 3,7 GW of clean capacity

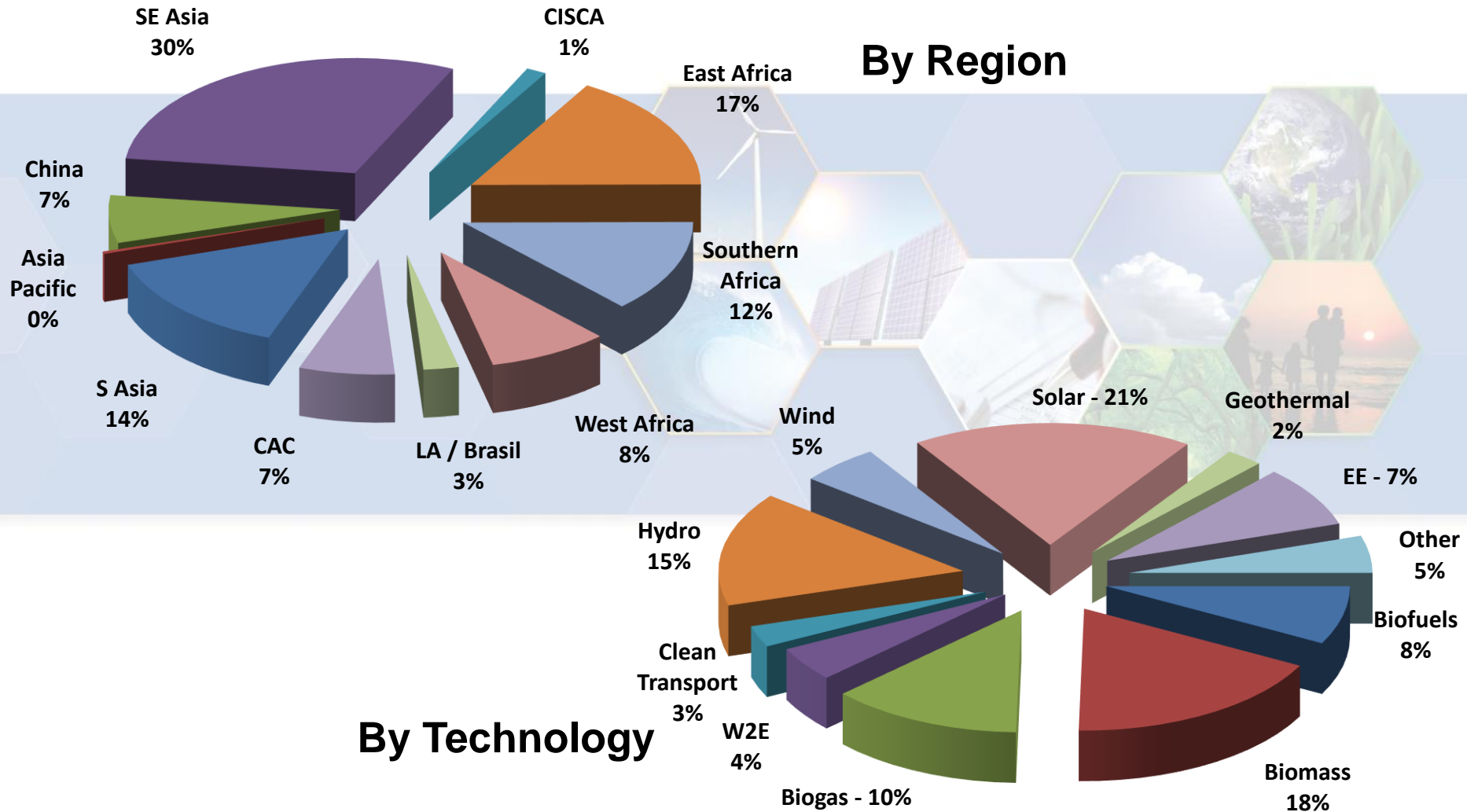
❑ 61 Projects Closed / USD 664 million raised

- 516,3 MW of Installed Clean Capacity
- 2,3 million tonnes CO2 e reduction pa
- 109,4 GWh pa Energy Savings (EE projects)

❑ 17 Financing Fora

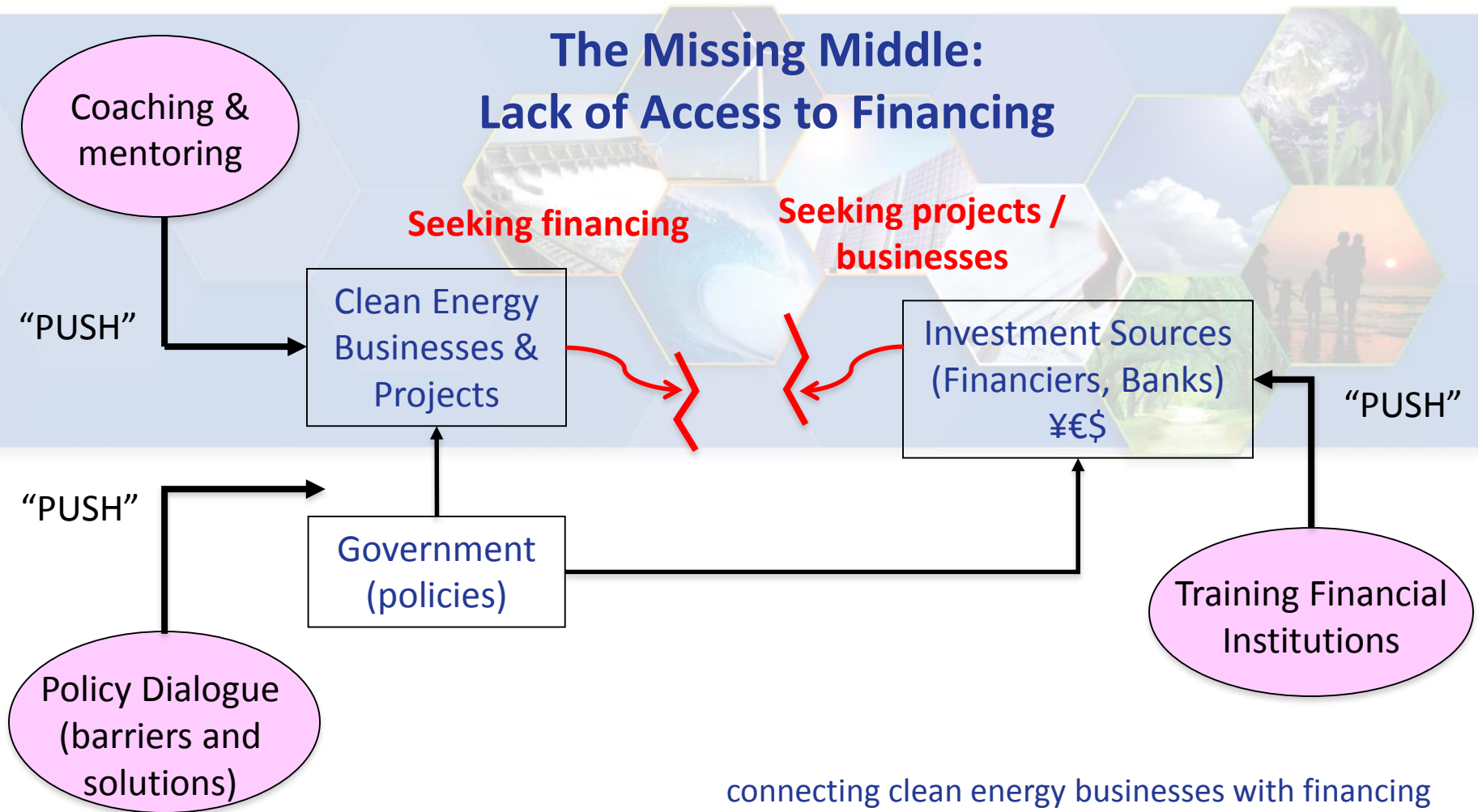
- 810 projects identified / 245 selected / 145 showcased
- 38 Projects Closed / USD 336,2 million raised

Pipeline Analysis at 31.03.2015

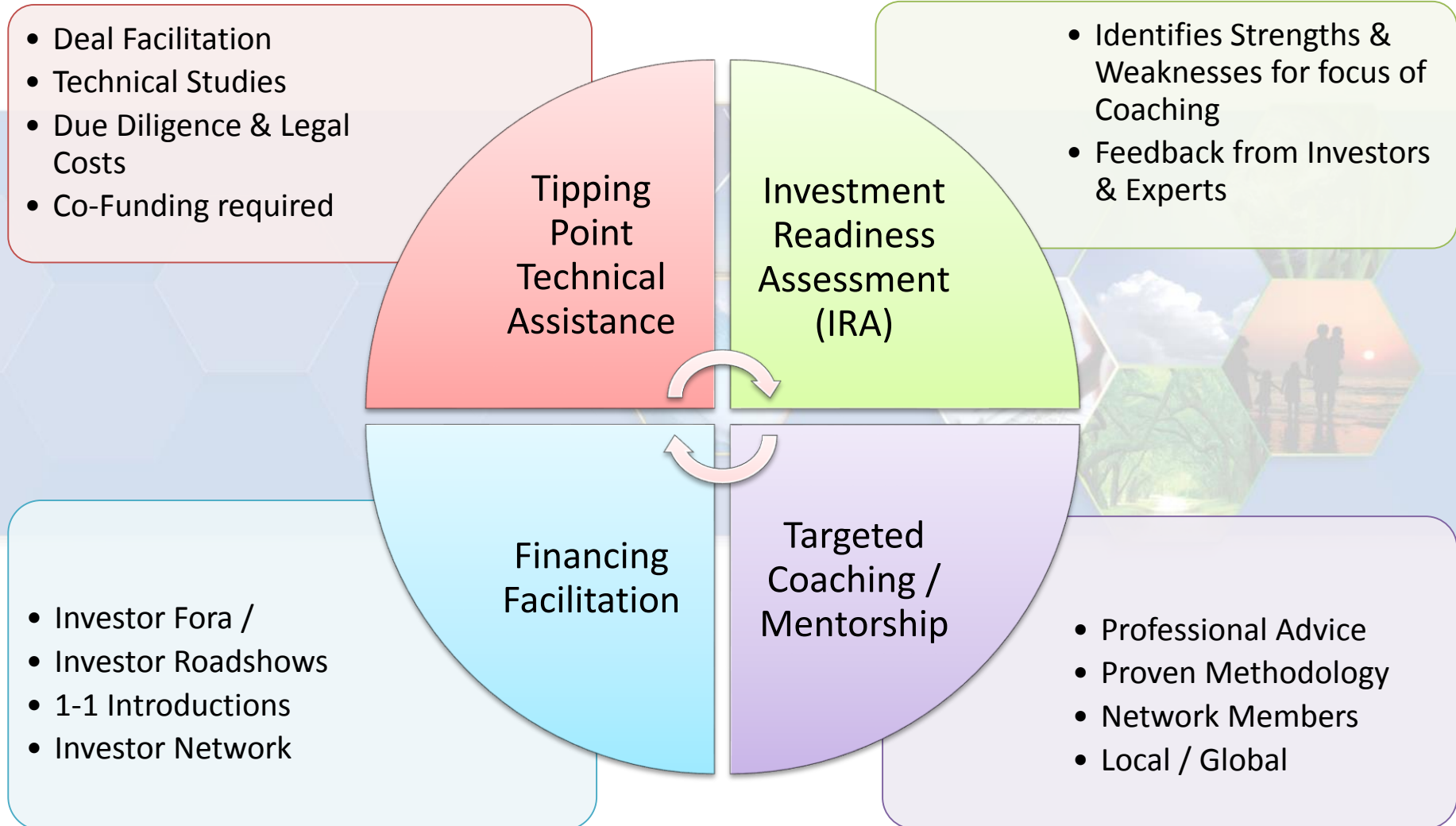


CTI PFAN – Rationale

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

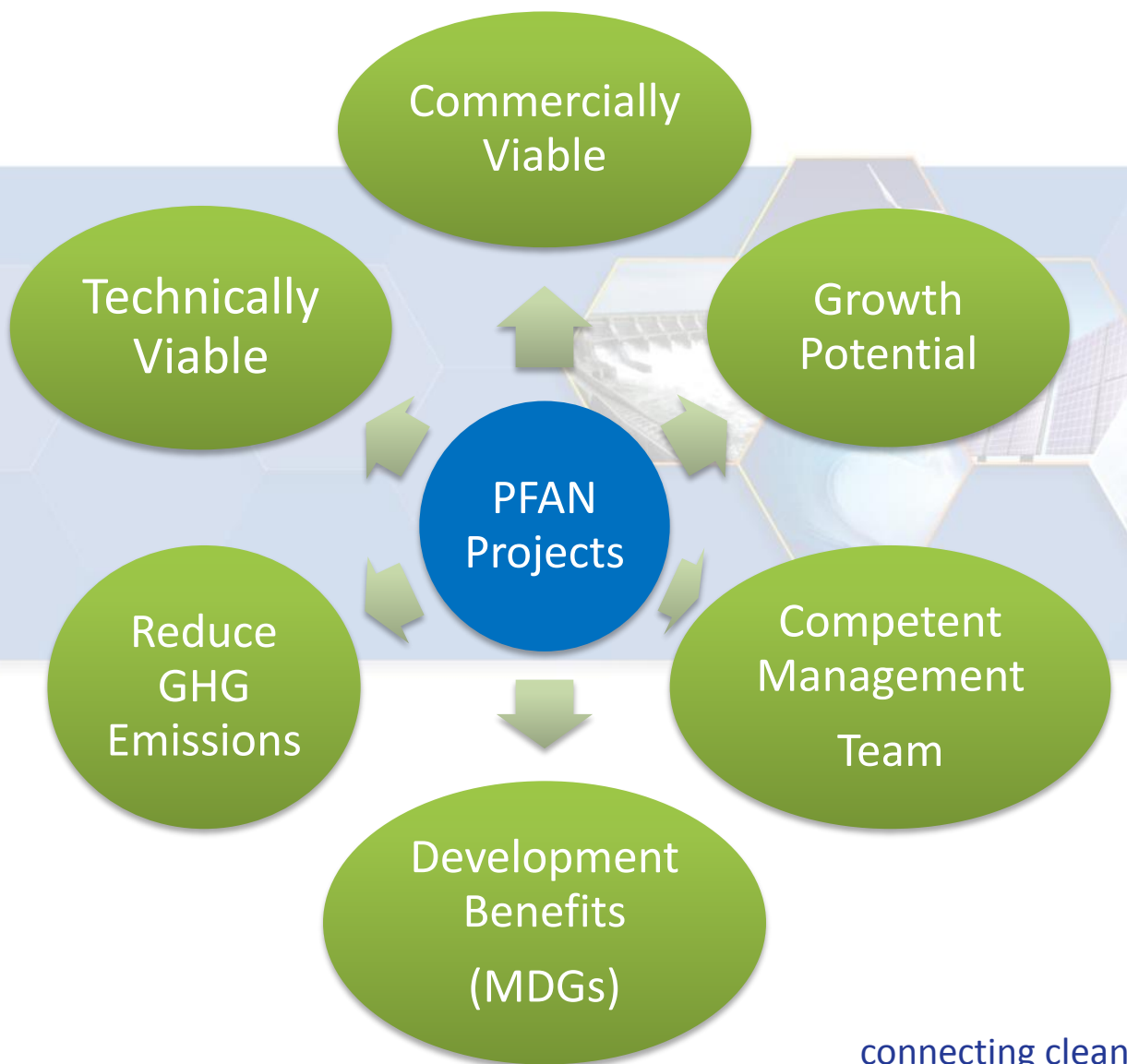


CTI PFAN Services



connecting clean energy businesses with financing

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

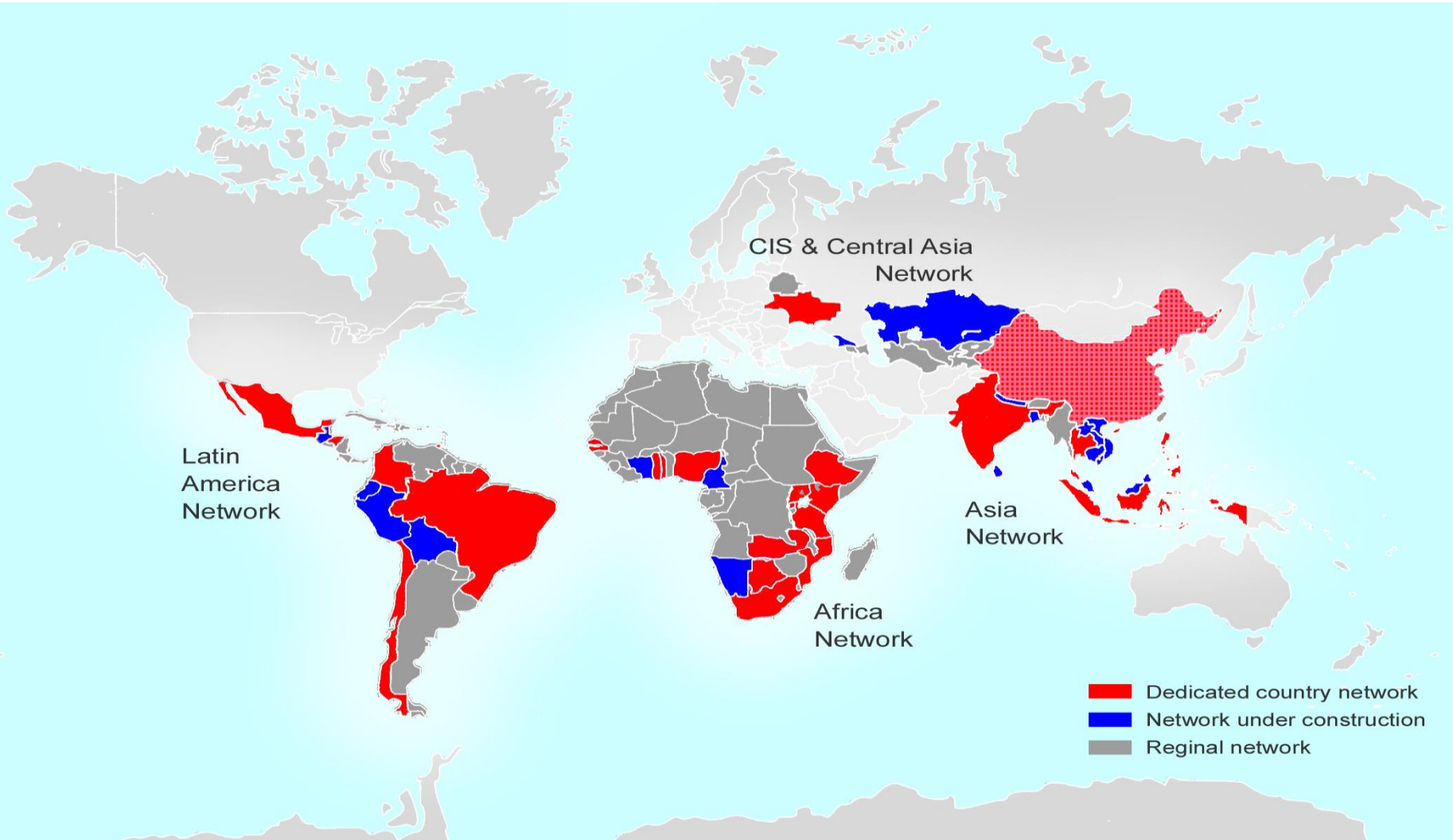
Adaptation Related Projects

□ Target Sectors

- Access to Energy
- Agriculture & Agri-business
- Water & Sanitation
- Tourism
- Forestry & Eco-System Services
- Urban Development
- Adaptation Products & Services
- Micro-Finance & Micro-Insurance



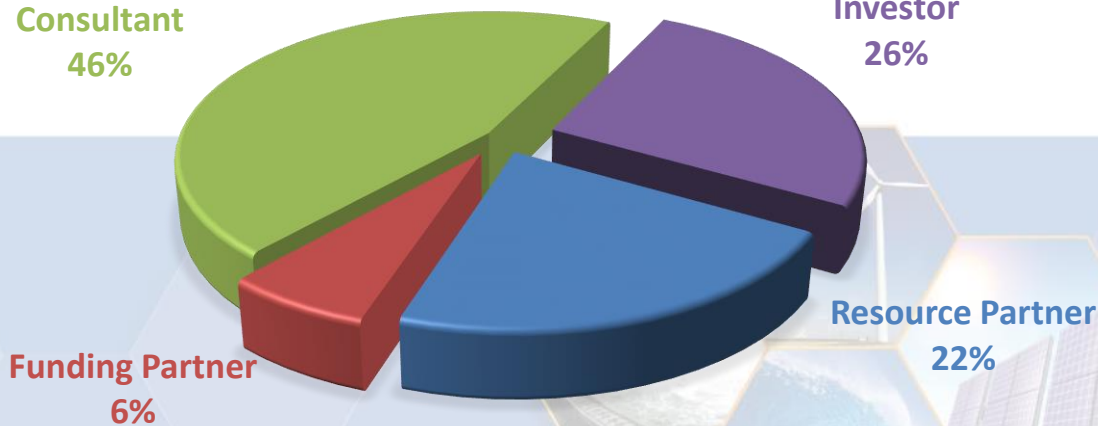
Global Snap Shot of CTI PFAN



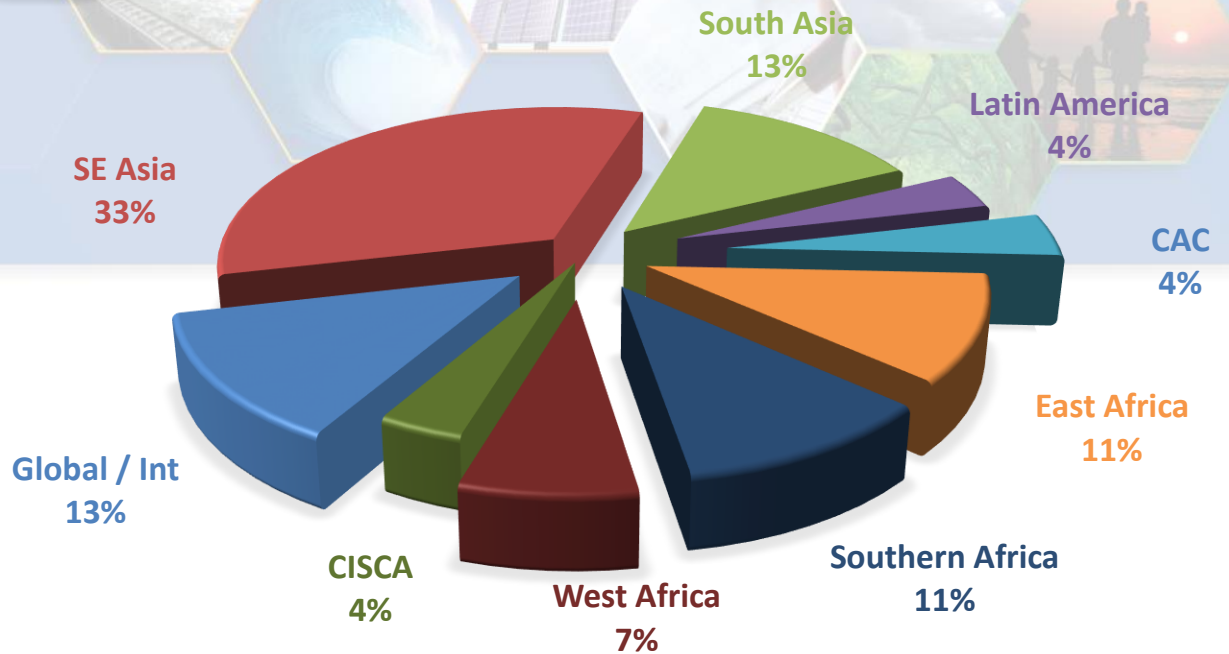
connecting clean energy businesses with financing

Network Analysis

By Member Type



By Geography



connecting clean energy businesses with financing

Funding Partners



Administration



Secretariat
Head of Secretariat

CTI CLIMATE TECHNOLOGY INITIATIVE
Executive Committee
CTI Manager

Governance



Global Coordinator

Non Cash Resources
& Policy Alignment

Resource Partners

Regional Coordinators

CTI PFAN
Asia

CTI PFAN
CISCA

CTI PFAN
Southern
Africa

CTI PFAN
East Africa

CTI PFAN
West Africa

CTI PFAN
LAC

CTI PFAN
Central
America

Dedicated Country Networks / Country Coordinators
Private Sector Network Members – Consultants &
Investors

connecting clean energy businesses with financing

CTI PFAN'S NETWORK MEMBERS



CTI PFAN'S RESOURCE PARTNERS

ADB



CREIA



PermataBank



LANDBANK



PFAN Transition

❑ To scale up operations, PFAN is changing structure & governance to become more accessible to donors and increase sustainability

❑ Proposed Management & Operational Reforms

- Multi-Party trust Fund hosted by a recognised International Organisation and overseen by a Governing / Advisory Board
- Cost recovery for partial sustainability in more mature markets
- Partnerships with other complementary organisations & activities
- Reframed mission for multidirectional technology cooperation to encourage participation from major developing economies
- Strategic positioning as provider of project development and pipeline origination services to development banks, climate funds, and investors by regularising project referrals
- Scaling up of the Adaptation Work Stream

❑ New Structure to be operational by end 2015 / early 2016 subject to approval from CTI ExCo



CTI PFAN's Services for CTCN / NDEs

Initial Observations

- ❑ CTI PFAN was set up in anticipation of the Technology Mechanism (CTCN)
 - Designed to provide services to CTCN
- ❑ Ambition of CTCN that a portion of the TA provided to response requests is for technology deployment projects which lead to implementation financed (partly) by the private sector
 - Leads to real mitigation and adaptation impacts
- ❑ Many valid technology deployment projects are out there
 - CTI PFAN can help NDE's identify and evaluate them

Broader CTI PFAN Role

NDEs
(TNAs / NAMAs / NAPs / TAPs / PS)

CTC

CTI PFAN
Filter Process

- Commercial Projects & Businesses
- Good Returns
- Well defined & self-contained Cash Flows

- Policy Initiatives & Projects
- Low Returns
- Social & Developmental Benefits
- Little identifiable Cash Flow

PRIVATE SECTOR

PUBLIC SECTOR

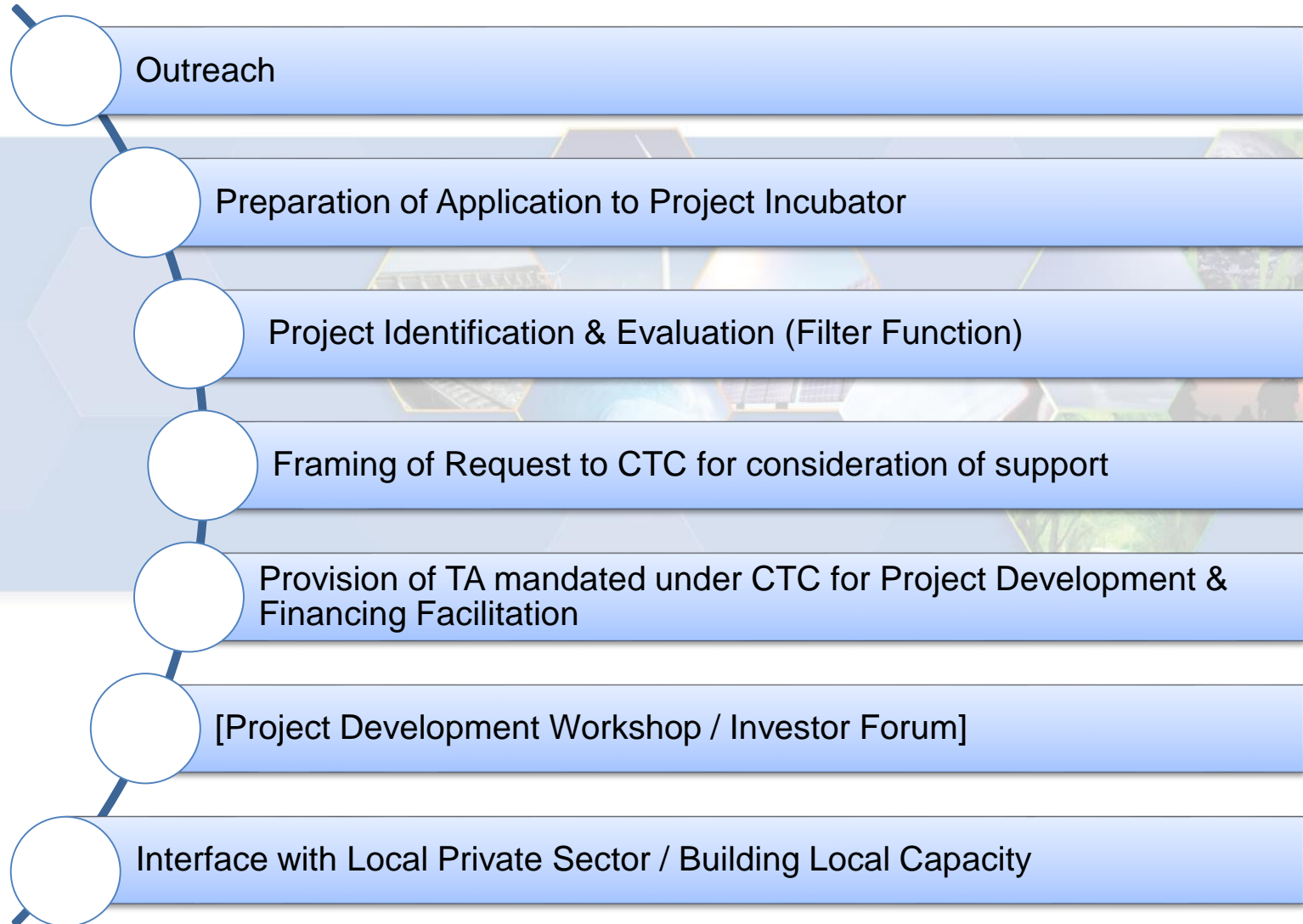
PPPs

Project Development driven by Private Sector Champion Financing with Private Sector Capital

Project Development driven by Public Sector Champion Financing with Public Sector / Donor Resources

connecting clean energy businesses with financing

CTI PFAN Assistance to NDEs





Criteria for Project Identification & Selection

Identifying Projects which may be suitable for Response Requests for receipt of CTI PFAN Support & Advice

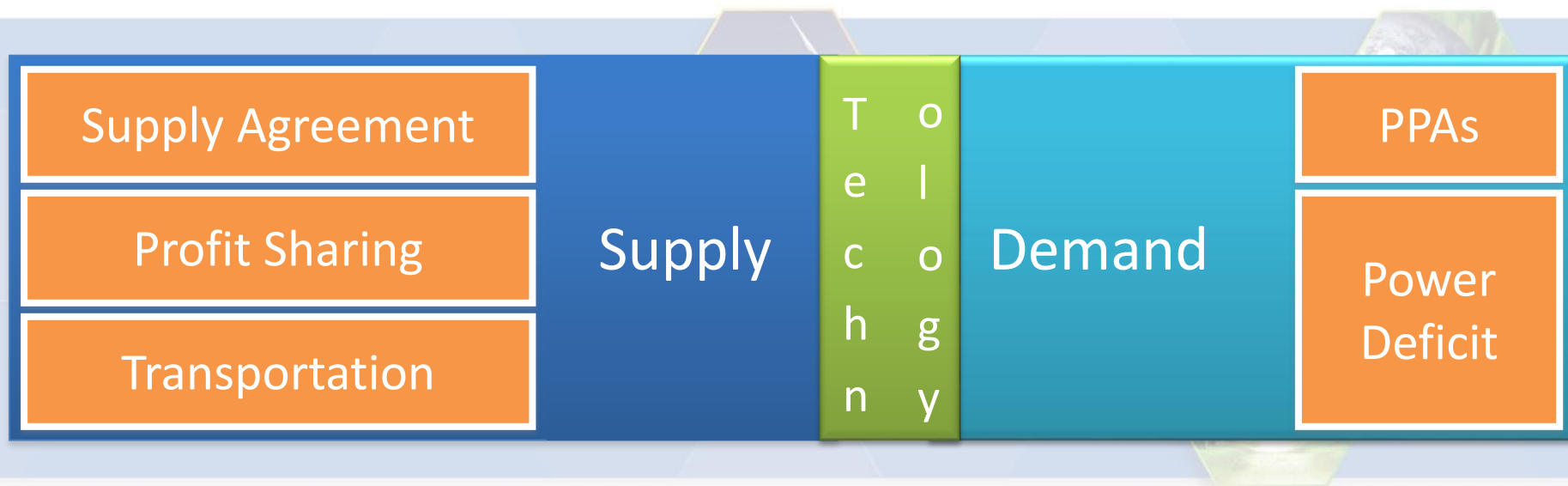
Value Proposition

- ❑ What is the value add of your project?
 - Why? - Project Rationale (Why?) - what market are you responding to?
 - For whom? Who are the Beneficiaries - shareholders / clients / others?
 - For how much? - Size of Market & Returns
 - Identify 3 things which are unique to your project

- ❑ Why should the Investor invest in Your Project?
 - Captive Market?
 - First Entrant (early mover advantage)?
 - Growth Potential?
 - Long term, stable cash flows / revenue streams?

- ❑ What sort of Investor are you targeting?
 - What are return expectations?
 - Other conditions & requirements?
 - Ability to Scale
 - Exit

Business Model



Objective: Gain Investor Confidence

Market Potential

- ❑ Identification of core customers
- ❑ Identification of competitors and potential substitutes
- ❑ Analysis and knowledge of the market size, trends, barriers and prospects
- ❑ Competitive strategy, strengths and weaknesses
- ❑ Barriers to Entry (to prevent new competitors entering market)
- ❑ Potential for disruptive technologies or competitors to enter market and displace the project / company
- ❑ Unique Selling Points

Risk Mitigation & Identification

- Are the principal risks identified and appropriate mitigation strategies formulated?
- Commercial / Market Risks
- Financial Risks
 - Interest Rates / Exchange Rates
- Regulatory Risk
- Logistics / Security of Feedstock Supply
- Counterparty Risks
 - Off-takers / Suppliers /
- Performance Risks
- Technology Risks

Management Team

- ❑ Experience and track record of the team
- ❑ Is the team capable of delivering the project
- ❑ Are solutions provided for potential management gaps
- ❑ Execution depends on the Management Team. Investors look for teams which have credibility to deliver the project



Operations & Implementation Plan

- ❑ Analysis of key implementation milestones and approach
- ❑ Analysis of the activities necessary to transform the inputs / activities into the final project / product / service
- ❑ Inbound & Outbound Logistics
 - Feedstock Supply
 - Delivery of Product to Market
- ❑ Technical & Practical Challenges
 - Power Evacuation & Transmission / Load Balancing
 - Grid Stability
 - Affordability & Ability to pay
 - Banking & Money Handling

Other Areas

Project Maturity

- How soon can project be implemented?

Environmental, Social and Development Benefits

- SDGs

Professionalism & Presentation of Proposal

- Balance





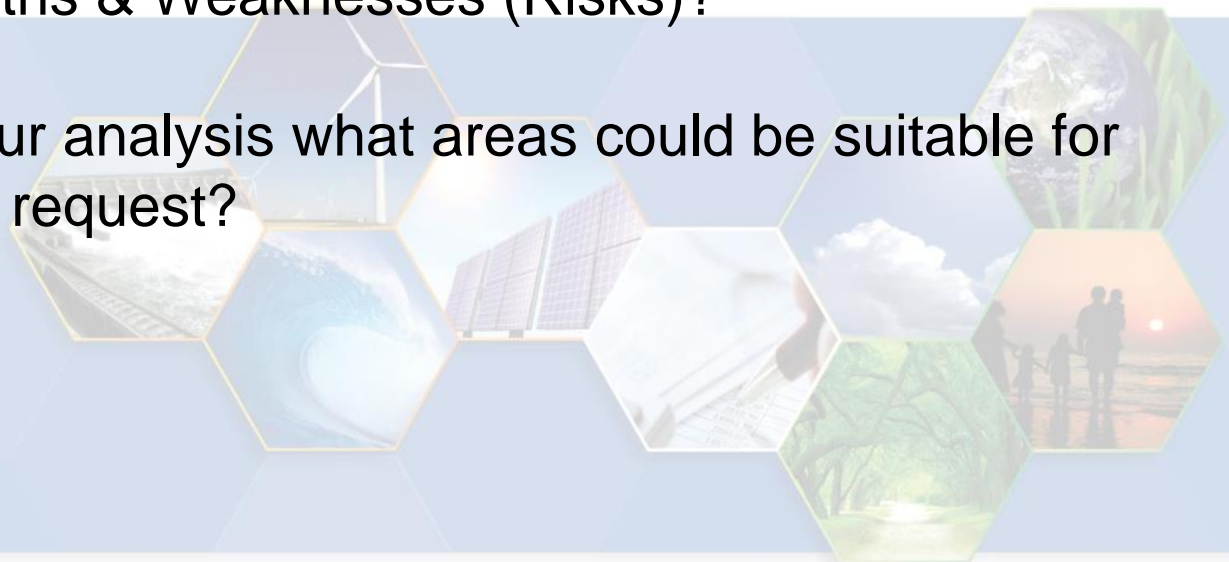
Interactive Exercise

Project Evaluation Exercise

- ❑ Case Study – based on real live current project
- ❑ Short Verbal Introduction of Project & Executive Summary Hand Out
- ❑ 2-4 Groups
 - Each Group discusses and analyses the project's strengths and weaknesses in relation to 2 key evaluation criteria – 10 minutes
 - Based on the analysis each Group makes recommendations for areas of work under a potential CTCN response request
- ❑ 1 Rapporteur per Group presents the findings of each Group
 - 2 minutes per Rapporteur / Group
 - Short discussion & feedback in each case (2 minutes)

Group Questions

- What are Strengths & Weaknesses (Risks)?
- As a result of your analysis what areas could be suitable for CTCN response request?





Summary & Conclusions

Benefits & Added Value of Working with CTI PFAN
on Response Requests

Benefits & Added Value

- ❑ CTI PFAN knows Technology Deployment Projects
- ❑ Mobilisation of Private Sector
 - Direct linkages & working relationships at regional & country levels
- ❑ Resource Optimisation
- ❑ Building of Local Capacity & Markets
 - Project Developers / SME Sector
 - Local Consultants
 - Local Institutions
 - NDE
- ❑ Real Mitigation & Adaptation Impacts

Contacts

- ❑ Peter Storey, Global Co-ordinator (peter.storey@ppl-int.com)
- ❑ Bobby Namiti, East Africa Regional Coordinator (bobby.namiti@ppl-int.com)

www.cti-pfan.net
www.climatetech.net

Thank You