



Facilitating the Transfer and Diffusion of Clean Technology Financing

A decorative background consisting of a grid of hexagonal shapes. Each hexagon contains a different image related to clean technology and financing, such as solar panels, wind turbines, green buildings, and people silhouettes.

Nagaraja Rao
Manila, 24th April 2015

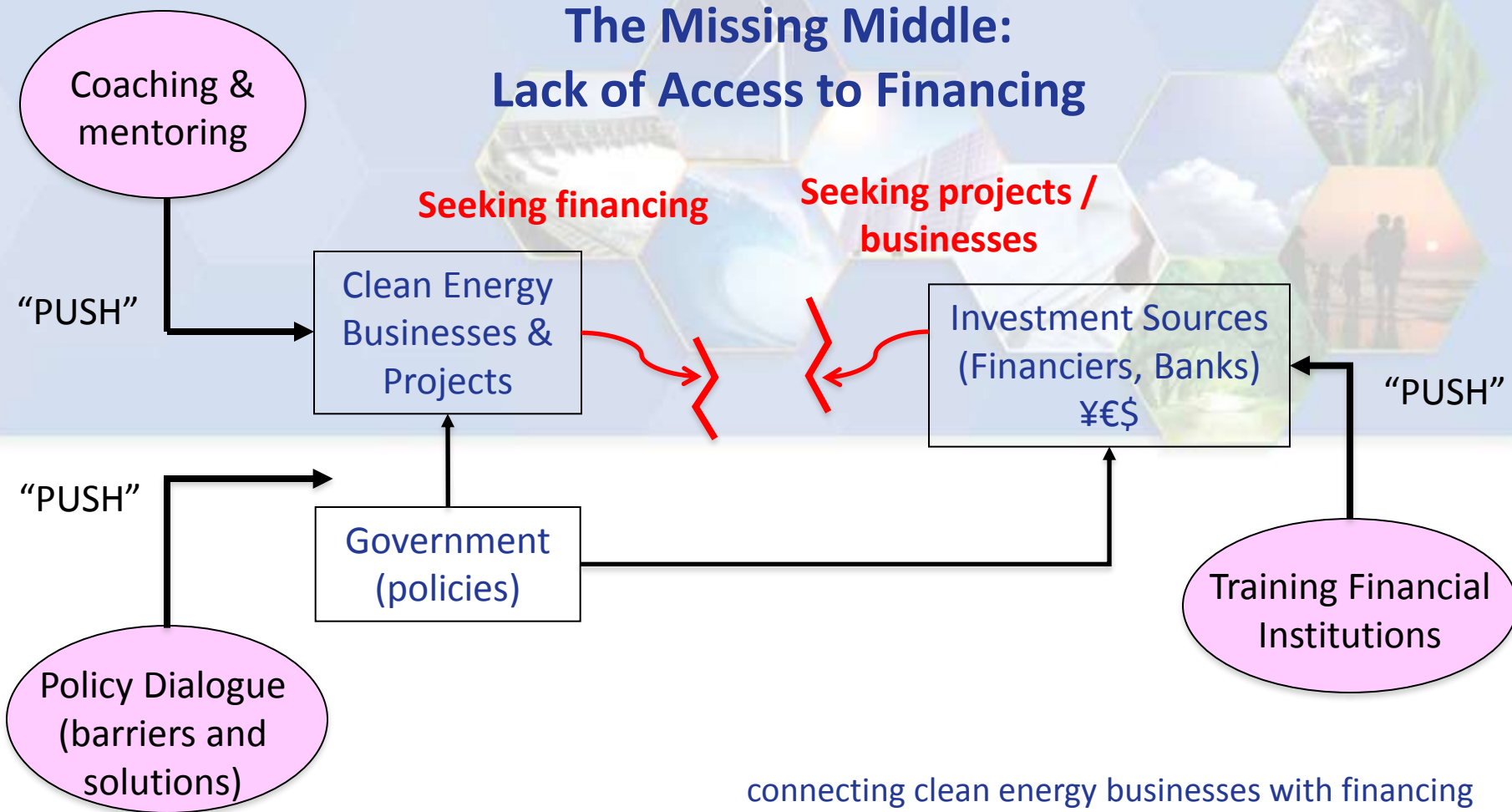
Introduction to CTI PFAN

- ❑ CTI PFAN is a Multi-Lateral Initiative:
 - CTI Countries (Australia | Austria | Canada | Finland | Germany | Japan | Korea, Republic of | Norway | Sweden | United Kingdom | USA)
 - ICETT / REEEP / USAID
- ❑ Network of Private Sector Professionals
 - Investors / Consultants
 - Exclusive focus on developing countries
- ❑ CTI PFAN goals:
 - to accelerate technology transfer and diffusion under the UNFCCC
 - to promote low-carbon, sustainable economic development
 - to increase financing opportunities for promising clean energy projects
- ❑ Connects CE projects with Investors / Financing
- ❑ Triple bottom line approach

CTI PFAN – Rationale

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

The Missing Middle: Lack of Access to Financing



Track Record

- ❑ 296 Projects in the Development Pipeline
 - USD 6,9 billion of Investment
 - 12,8 million tonnes pa CO2 e GHG reduction potential
 - 3,7 MW of clean capacity
- ❑ 59 Projects Closed / USD 653 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)
- ❑ 15 Financing Fora
 - 621 projects identified / 210 selected / 136 showcased
 - 38 Projects Closed / USD 336,2 million raised

What makes an investment grade company?

- ❑ Business model and Value proposition
 - Project rationale (Why?)
 - For whom? What problem is addressed?
 - Why should the investor invest in this Project?
- ❑ Attractive market size and potential
 - Addressable market
 - Competition, Entry barriers and Growth potential
- ❑ Financially rewarding
 - Expected returns and exit options
 - Investment horizon
 - Break even time/quantity
 - Debt servicing capacity
- ❑ Risk identification and mitigation measures
- ❑ Social impact

What is the Funding that is appropriate to you?

Equity Funding

- Seed capital
- Angle investment
- Venture capital
- Private equity
- Small Cap exchanges
- Main Stock exchanges

Debt Funding

- Soft loans
- Conditional loans
- Normal commercial loans
- Foreign currency loans
- Credit guarantee
- Sovereign guarantees
- Supplier credit

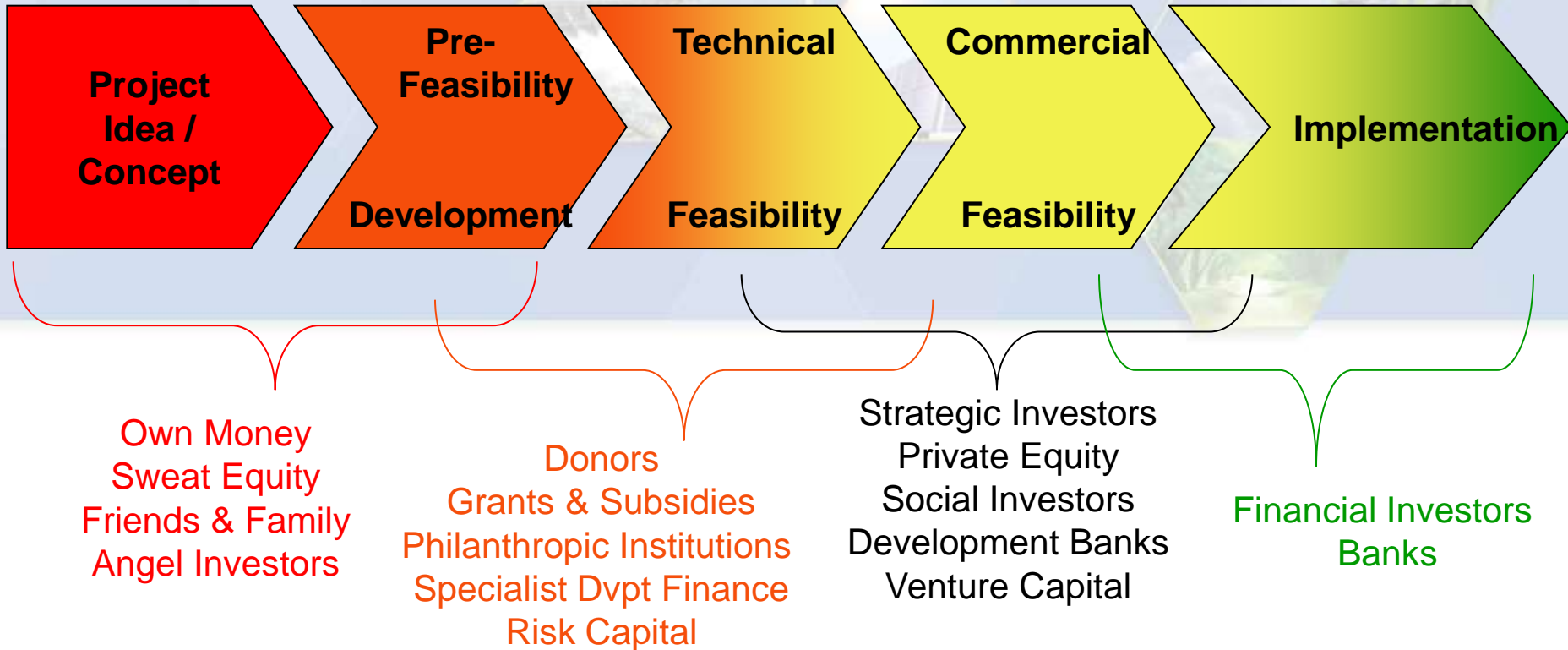
Choosing an investment Partner

- Industry & 'stage of funding'
- Global or country specific
- Clearly defined value additions
- Referrals from Financial institutions and other PE's
- Professional conduct of the partners and their knowledge of the industry
- Active Board participation
 - Assistance with Business strategy, Recruitment, Fund raising, Customer contacts
- Exits

Project Development Stages

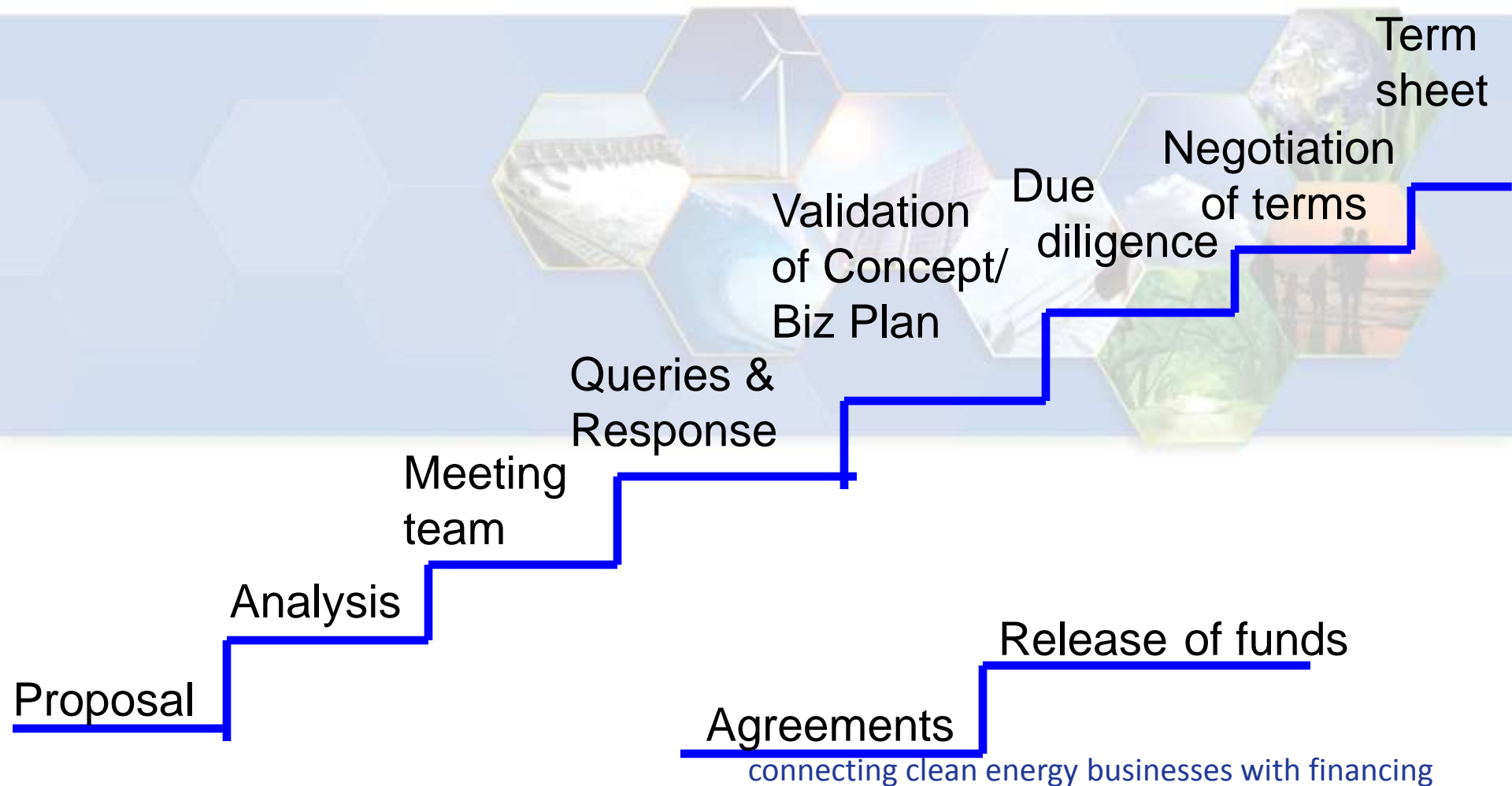
High Risk →

Decreasing Risk



connecting clean energy businesses with financing

Equity Funding process



CTI PFAN Mentoring Experience

□ Typical points for improvement

- Products/Services and Margin
- Addressable market and pricing
- Clearly defined revenue model
- Clearly articulated investment ask
- Execution capabilities and timeline
- A sound financial model
- Project risks and mitigation
- An attractive exit for the investor
- Over optimistic approach / attitude
- Understanding working capital cycle
- Strong technical knowledge but limited business knowledge
- Need explicit support in understanding Investor's language
- Little or no Investor pitching experience

- ❑ Targeted at clean energy, energy efficiency and adaptation projects
- ❑ Providing project development support
- ❑ Mentoring, upscaling and coaching
 - Risk identification, assessment and mitigation
 - Business plan validation
 - Growth strategy
 - Development of bankable Business plan
- ❑ Tipping Point Technical Assistance
- ❑ Investment structuring

cont...

- ❑ Investor identification and investor pitch
- ❑ Support negotiation and deal making
- ❑ Financial modelling and valuation
- ❑ Investment facilitation
- ❑ Workshops and Investor forums
- ❑ Networking - Increasing opportunities for entrepreneurs
- ❑ Network member of CTCN

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

Thank You

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