

# *The Fire Awards*

Innovative finance to unlock  
capital for clean energy

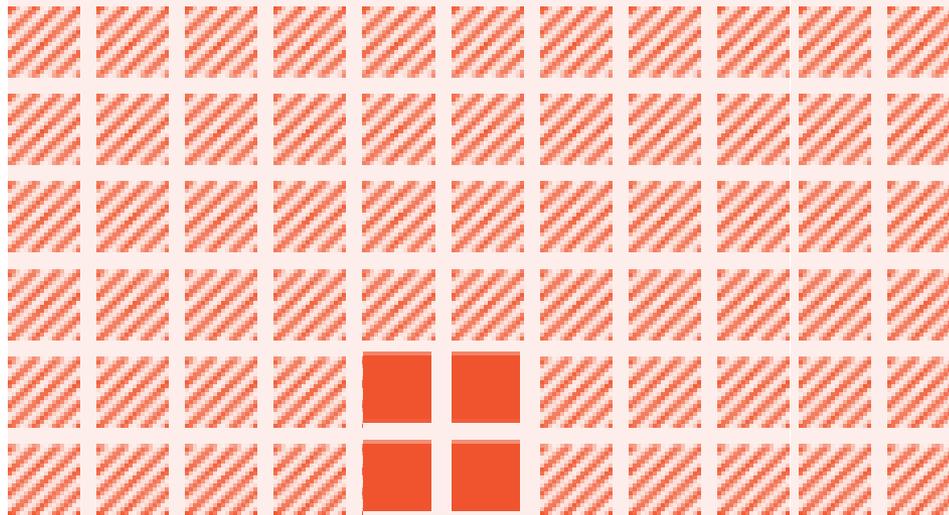
Presentation by: Gloria Coleman



CLIMATE  
POLICY  
INITIATIVE

BRAZIL  
CHINA  
EUROPE  
INDIA  
INDONESIA  
UNITED STATES

# The pathway to 2 degrees...



**\$ 16.5 TRILLION**  
Investment needed 2014-2045 in 2010 value  
to limit temperature rise to 2°C\*\*

Source: \*IEA

# Several barriers affect investors' incentives and ability to invest in new technologies

## Policy gaps

- Inadequate regulatory frameworks
- Retrospective policy changes

## Knowledge gaps

- Investment opportunities
- Pricing of climate change risks

## Risk, viability & funding gaps

- Inadequate access to finance
- Return uncertainty
- Perceived risks

➤ **Barriers vary by type of private actor, region, sector, technology & level of climate exposure**

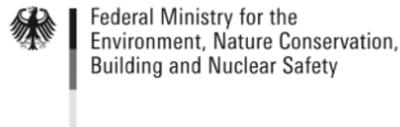
# Unlocking capital through financial innovation

**The Global Innovation Lab for Climate Finance** supports the design and piloting of transformative climate finance instruments to drive private investment in mitigation & adaptation.

**The Fire Awards** accelerate powerful, early-stage pilots and businesses that can unlock finance for clean energy and green growth.



# Convening Capital Providers



# Models of Success

# RMI Business Renewables Center (BRC)

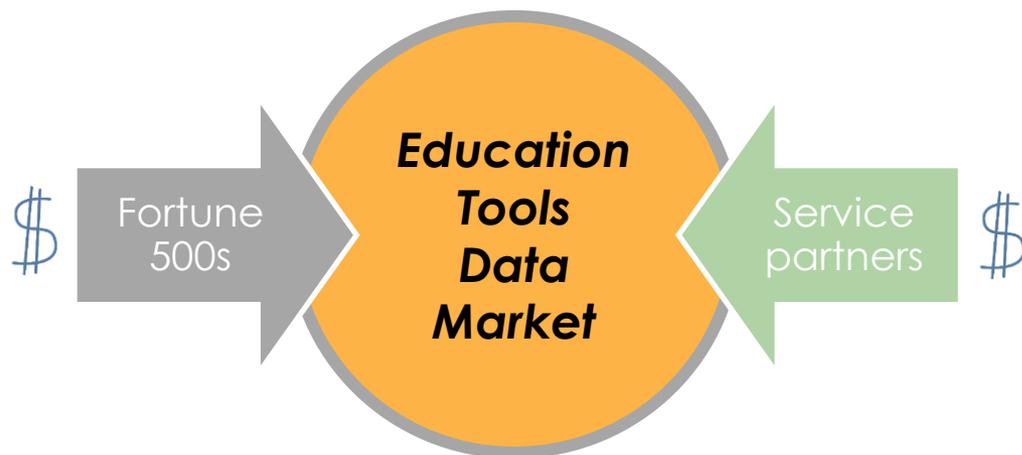


## SUCCESS

Accelerating corporate investment in large-scale wind and solar

## MODEL

Platform



## MARKET

YEAR

USA 2014

## KEY METRICS

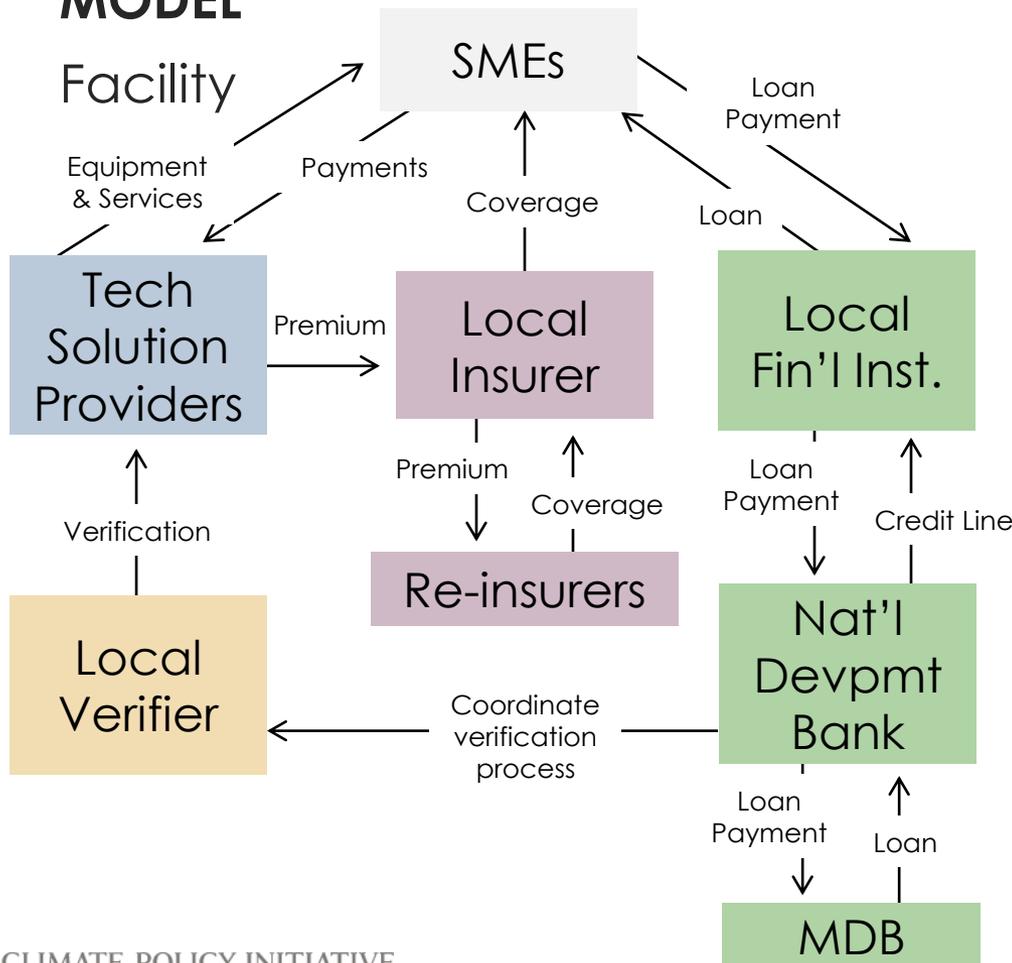
- Aim to drive **60** gigawatts procurement by 2030
- **178** Members
- **6,664 MW** RE deals by BRC members
- **93%** Corporate RE deals involving BRC member

# Energy Savings Insurance (ESI)

## SUCCESS

Driving investment in energy efficiency upgrades

## MODEL



## MARKET

### YEAR

LAC

2014

### KEY METRICS

- Up to **40%** EE savings
- **2–5** yrs payback period
- **>600** SMEs served by pilots in Mexico & El Salvador
- **\$10-100B** in drivable investment across relevant EMs

# Blended Private Equity Fund

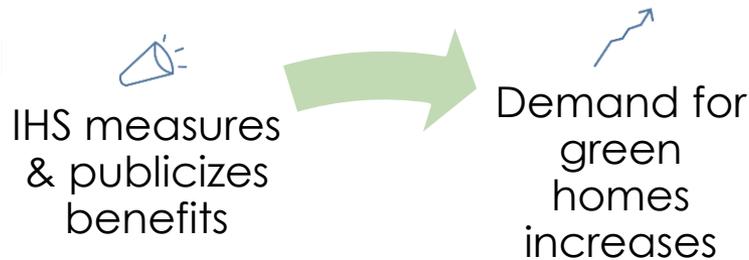


## SUCCESS

Driving investment in energy/material efficient affordable housing

## MODEL

Fund



## MARKET

YEAR

SSA

2016

## KEY METRICS

- **5,000** green homes
- **\$200M** target fund size
- **≥20%** EE improvements
- Target returns:
  - **20%** commercial
  - **12%** catalytic

**Fund delivers**  
**Green Homes**

# Climate Investor One

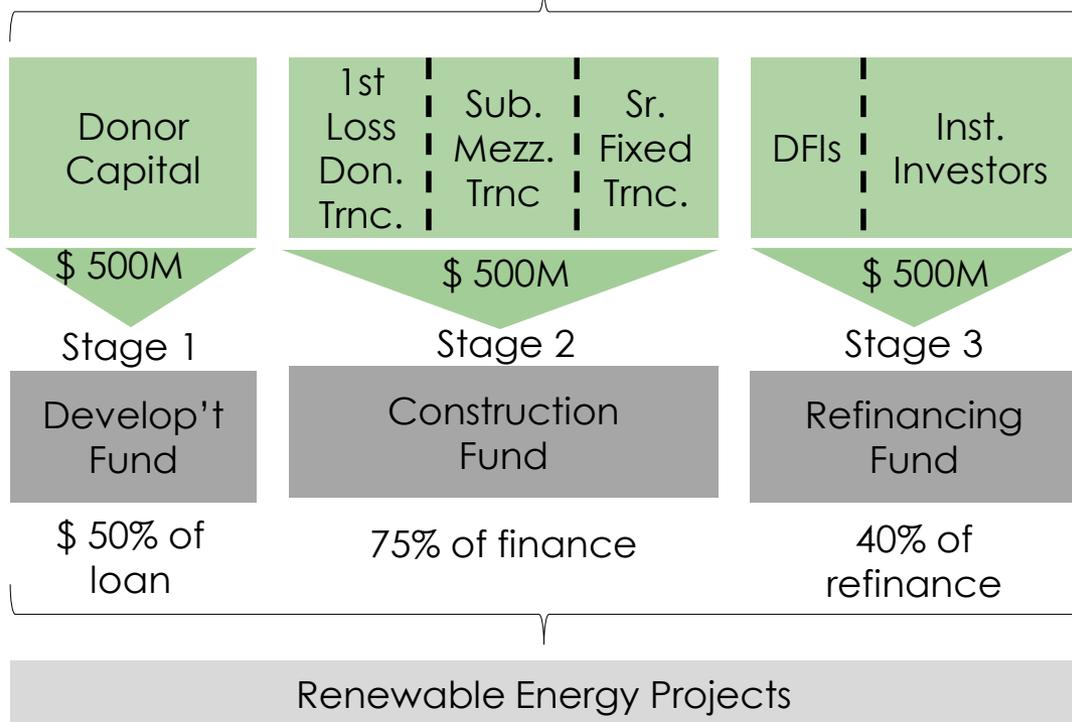
## AIM

Fast-track renewable energy projects in low-low/mid inc. countries

## MODEL

Facility

Sources of Capital



## MARKET

YEAR

EMs

2015

### KEY METRICS

- **7-21%** less capital than a typical project
- **\$400M+** in commitments
- **9** projects set for development to deploy
  - **300 MW**
  - **\$2B** private finance

# Electric Bus Battery Service Agreements



## AIM

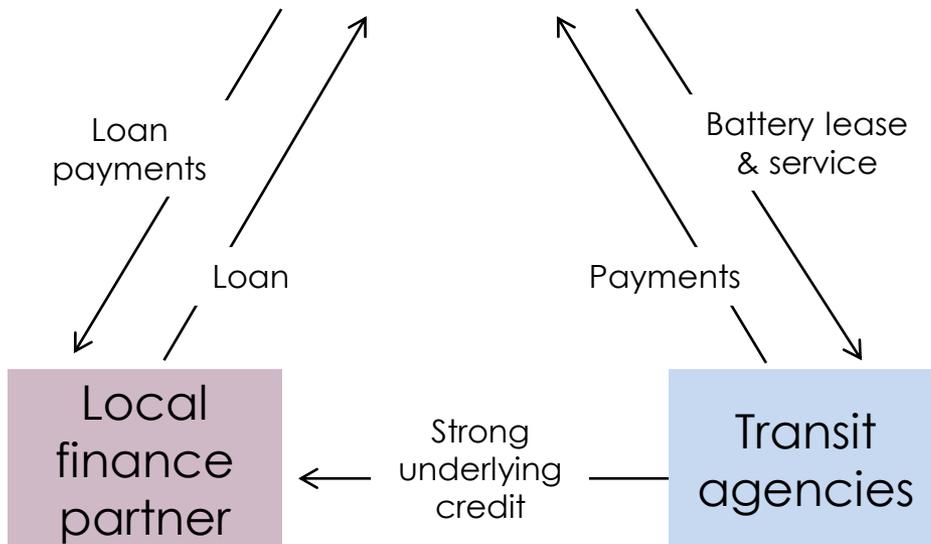
Accelerate replacement of diesel buses with zero-emission buses

## MODEL

Tool



**PROTERRA**



## MARKET

YEAR

USA

2016

## KEY METRICS

- **Zero** emissions
- Up to **350mi** drive range
- **10+** technology awards
- **\$450k** operational savings potential over 12 yr life
- **Series E** funding

Questions?

Back Up

# Four opportunities to scale up climate finance

1

**Enhance tracking efforts** to further improve transparency, comprehensiveness, and consistency in accounting approaches

Get **domestic** investment policy and support frameworks right

2

3

**Innovate** to develop or refine financial instruments that meet **investors' needs**

Further **integrate climate change** considerations **into the financial system**

4

# The Lab Members and Partners



In addition, with support of:



Secretariat:



# Climate Investor One

## Overview

Facilitates early-stage development, construction financing, and refinancing to fast-track renewable energy projects in developing countries

## Key features

- FMO, in partnership with Phoenix InfraWorks from South Africa
- 9 projects to deploy 300 MW and mobilize USD 2B in private finance
- USD 400M in funding commitments
- Large-scale solar and hydro projects set for development in Rwanda, Zambia and the Phillipines
- One project will provide grid access to almost 1 million Rwandans

## Details

**Cycle:** 2014 - 2015

**Type:** Mitigation

**Sector:** Renewable Energy

**Stage:** In Action

**Status:** Endorsed

**Goal:** Promote development and finance of climate mitigation projects in developing countries.

**Geography:** In pilot phase: Rwanda, Uganda, Kenya, Nigeria, Ghana, Indonesia, Philippines, India, Nepal, Nicaragua, Guatemala, Costa Rica, Panama. In the future: Low-income and lower middle-income countries

**Implementing Entities:** Renewal Fund Managers, a joint venture between FMO and Phoenix Infracorps

**Private Finance Target:** Project developers, private equity funds, infrastructure equity and debt fund investors

# Developing Harmonized Key Performance Indicators (KPIs) for the PAYG Solar Industry

## Overview

The intervention will establish and roll-out company and industry level KPIs to help unlock commercial finance for PAYG solar, a leading business model for off-grid energy systems.

## Key features

- KPIs will allow companies to better understand and manage operational and business model performance
- Financiers will be better positioned to identify investment opportunities and increase transparency on portfolio risk.
- Public actors will have more information to improve enabling policy environments.

## Latest updates

- **Currently being piloted by WBG with several African based PAYG businesses**

## Details

**Cycle** 2015 – 2016

**Champion** Anna Lerner,  
World Bank Group

**Sector** Distributed Energy  
Solutions

**Geography** Sub-Saharan  
Africa

**Goal** Unlock access to commercial finance at scale for pay-as-you-go ('PAYG') solar by developing industrywide key performance indicators ('KPIs').

**Stage** Pilot

**Target finance** Commercial banks, institutional, impact investors, debt.

# Towards a new energy system

**Incubator or accelerator initiatives** can support the piloting and implementation of innovative green finance solutions:

- Stress testing
- Increased understanding of barriers
- Increased profile and visibility
- Networks and access to funders