



Unlocking private investment in clean energy: the role of small and medium enterprises in the developing world

11:00 am-12:30 pm, 16 June 2012

This session will discuss **solutions to the challenges** facing corporate actors, financial institutions, investors, project developers and entrepreneurs in **entering the low-carbon business space in emerging and developing countries**; with a specific focus on the role of **small and medium sized enterprises**.

OVERVIEW

Mobilizing the private sector in developing and emerging countries is necessary to drive a global transition to a green economy. In particular, SMEs, powerful vectors of job growth, innovation and competition in many economic sectors, are crucial actors in this transition and have demonstrated that they can develop projects with very high positive social and environmental outputs. Furthermore, financing clean energy investments, particularly low-carbon and energy efficiency projects, can provide formidable leverage to increase companies' competitiveness and catalyze broader organizational and management changes.

However, entrepreneurs in developing and emerging countries are confronted to a **series of constraints**. Big or small, these institutions face similar **information gaps** that hamper development of new businesses lines. Smaller firms and entrepreneurs also face **challenges securing needed finance to start or expand clean-energy businesses**. Indeed, the high level of capital required and the requirement of solid collaterals disqualify an overwhelming majority of entrepreneurs from traditional finance. Finally, local financial institutions (MFIs, commercial banks) and corporate actors are confronted by **difficulties in the development of green finance products and the implementation of these investment projects**.

This session will:

- highlight **global and regional business opportunities in the clean-energy business space**,
- **showcase successes** to date in emerging and developing countries,
- **identify obstacles to scale-up** these investments and
- raise awareness around **innovative solutions currently being piloted**.

It will target in particular corporate actors, entrepreneurs, cleantech funds, CSR professionals, commercial banks, UNGC local networks in developing and emerging countries and international financial institutions.

PROGRAMME

Moderator:

- Michael Liebreich, Founder & Chief Executive Officer, Bloomberg New Energy Finance

Speakers:

- Gregory Watson, Team Leader, Environment and Clean Energy, Multilateral Investment Fund, Inter-American Development Bank
- Jacques Moineville, Deputy CEO, French Development Agency (AFD)
- Anne Alikier, Director and Head, Investment Banking East Africa, Stanbic Bank (Member of Standard Bank Group)
- Alfredo Alexandre Behrens, Sales Manager, APS Energy Solutions (Brazil)

AGENDA

- *Introduction: Global investment trends in clean energy investments* – Michael Liebreich, Bloomberg New Energy Finance
- *Addressing Existing information and Finance Gaps:* Presentation of Climatescope results, webtool, and EcoMicro program – Gregory Watson, MIF
- *Demonstrating Impact:* Key lessons and Future Opportunities in Financing small-scale clean energy projects – Jaques Moineville, AFD
- *From the field: Discussion of climate/clean energy finance* in developing and emerging countries – Anne Alikier, Director and Head, Investment Banking East africa – Stanbic Bank (Member of Standard Bank Group)
- *From the field: Overcoming challenges to implement small-scale clean energy projects* – Alfredo Alexandre Behrens, Sales Manager, APS Energy Solutions
- Questions and answers (35mn)
- *Conclusions / main recommendations:* Michael Liebreich, Bloomberg New Energy Finance

The solutions to be presented during the session address the set of challenges identified above directly. To provide **information** for all size businesses, entrepreneurs, and investors, **the session will launch the Climatescope**. Developed by the Multilateral Investment Fund (MIF) of the Inter-American Development Bank, in partnership with Bloomberg New Energy Finance (BNEF), the *Climatescope* assesses the climate for climate-related investment in 26 Latin American and Caribbean nations. This session will present, for the first time, the **full rankings of Latin America and the Caribbean**, and discuss the likely upcoming **globalization of the Climatescope index**.

Private sector representatives will present their experience in developing and securing **adequate finance** for clean energy investments in developing and emerging countries. The French Development Agency will highlight both **existing solutions** and the **innovations needed** to accelerate the global financing of clean energy investments, including financial guarantees and green microfinance.

The session will also discuss the MIF's **EcoMicro program**, which provides technical assistance grants to financial institutions to develop green finance products or adaptation credit directed toward consumers, small and medium sized businesses, and entrepreneurs.

➤ ABOUT MIF & CLIMATESCOPE

The Multilateral Investment Fund/MIF, funded by 39 donors, supports private sector-led development benefitting the poor - their businesses, their farms, and their households. The aim is to give low-income populations the tools to boost their incomes: access to markets and the skills to compete in those markets, access to finance, and access to basic services, including green technology.

Developed by the Multilateral Investment Fund (MIF) of the Inter-American Development Bank, with Bloomberg New Energy Finance (BNEF), **the Climatescope** profiles the potential for low-carbon business and clean energy investment in Latin America and the Caribbean. The tool will highlight new opportunities and fill important information gaps.

The Climatescope is an annual report and benchmarking index covering the entire region, consisting of a general overview of the state of clean energy projects and individual country profiles. It covers potential climate investments, and address the significant information gaps for small and micro-scale investment in residential or off-grid applications, energy efficiency, and clean energy.

Each country is described and ranked on four parameters:

- Enabling framework - the existing policies, power market structures and levels of clean energy capacity online in a given country, as well as other market-size related factors.
- Clean energy investment and climate financing – Funds deployed in support of clean energy, plus the availability and cost of local capital such as microfinance.
- Low-carbon business and clean energy value chains – The availability of local manufacturing and supply chains for clean energy goods, services and financing.
- Greenhouse gas management activities – The extent of actions taken and projects developed under the United Nations Clean Development Mechanism (CDM).

It is accompanied by an online interactive tool allowing users to examine the report's findings in greater depth and to re-weight index components according to their interests.

➤ ABOUT BLOOMBERG NEW ENERGY FINANCE (BNEF)

Bloomberg New Energy Finance (BNEF) is the world's leading independent provider of news, data, research and analysis to decision makers in renewable energy, energy smart technologies, carbon markets, carbon capture and storage, and nuclear power. The firm has staff of over 150, based in London, Washington D.C., New York, São Paulo, Tokyo, Beijing, New Delhi, Singapore, Hong Kong, Sydney, Cape Town, and Zurich. BNEF serves the world's leading financial institutions, multinational corporations and governments through its research, consulting and database services. New Energy Finance Limited was founded as an independent company in London in 2004. The firm was acquired by Bloomberg L.P. in December 2009. Its services and products are now owned and distributed by Bloomberg Finance L.P.

➤ ABOUT AFD GROUP INTERVENTION IN FINANCING CLEAN ENERGY

AFD has committed more than 1.3 billion EUR over the last 5 years to finance energy efficiency and environmental projects in developing and emerging countries. These resources were provided to private entrepreneurs, including SMEs, mainly through local financial sectors. On the basis of this experience, AFD will offer insight into how the finance sector, both international and local, can support the contribution of SMEs and corporate actors towards a Green Economy through clean energy investments by:

- i) presenting a selection of flagship clean energy investments and identifying the critical conditions for success, with a specific focus on energy efficiency projects ;
- ii) demonstrating that the outputs of this financing go beyond energy savings but rather have a much broader impact on these companies' governance and competitiveness;
- iii) providing recommendations on future financial tools / public policies which could be adopted to accelerate the global financing of small-scale clean energy projects (e.g. green microfinance, financial guarantees to strengthen the capacity of banks to reach smaller investment projects and SMEs, etc).

➤ **ABOUT CFC STANBIC BANK**

Rooted in Kenya, Cfc Stanbic Bank is a corporate and retail bank licensed by the Central Bank of Kenya to provide banking services in the Kenyan economy. The bank is part of the Standard Bank Group a leading African financial services organisation, which was founded more than 150 years ago and today has operations in 18 African countries and across the globe.

At the core of Cfc Stanbic Bank's values is a commitment to offer relevant and first class financial services within both the corporate and retail banking segments. Cfc Stanbic Bank has over the years build a formidable reputation in the corporate and investment banking space and has structured some of the East Africa Region's largest and most important financial transactions.

Leveraging its regional, continental and global network, Cfc Stanbic Bank is the premier service provider of international corporate and investment banking services and takes pride in providing innovative financial solutions for Kenya's growing retail banking population. Cfc Stanbic Bank is listed on the Nairobi Stock Exchange (NSE) and currently has a market capitalization of Sh11.7 billion (USD 129 Million) at November 28th 2011..

➤ **ABOUT APS ENERGY SOLUTIONS**

APS Energy Solutions is one of the first and main Energy Service Company (ESCO) in Brazil. Founded in 1992 in the city of Porto Alegre, southern Brazil, APS develops and implements sustainable energy efficiency solutions for its customers with the objective to improve efficiency, and competitiveness for its customers while eliminating energy waste. APS has a track record of more than 650 projects implemented and over 250 clients. Since inception, it has received 18 national energy efficiency awards. In 2010, APS received an investment from a venture capital fund, DGF-FIPAC, which is supported by the Multilateral Investment Fund (MIF/IADB), and pension funds in Brazil such as BNDESPar, PETROS, FUNCEF, FINEP, and CERES.

