

Concept Paper		
Webinar on “Exploring Financing Opportunities for Clean Energy, Environment and Energy Efficiency Projects”		
Webinar	PRG-165/2019/PROMO	SEC

Background:

Financing in renewable energy, climate change and energy conservation projects has seen steady growth over the last decade, but a more rapid scaling-up is necessary in developing countries to meet climate and sustainable development goals. These projects in developing countries face multiple challenges at the institutional, policy, regulatory, market development and project level which can hinder the development and uptake of renewable energy. The challenges include lack of market transparency, lack of financing and experience in project development, and lack of relevant information on regulations, markets and resource availability. Project developers often choose wrong financing instruments and models which are not in alignment with the local conditions of a particular developing economy, which leads to project failures, thus making it difficult for new investors by eroding their confidence in the market of the developing country.

In such a scenario, it is very important for project developers to properly identify and choose the type of financing instrument. A wide variety of financing opportunities exist for project developers, such as grants and long term equity, venture capital equity, debt, asset backed securities, guarantees and insurance, carbon financing, results based financing, green bonds etc. However, these financing instruments must be chosen by taking into consideration the capabilities of local agencies to manage them effectively and efficiently, and giving due attention to the local financial markets to understand and use them. Most of these constraints are country specific and will require investigation before decisions are made on which instruments to use.

Introduction:

The proposed webinar will consist of presentations from various experts having knowledge and experiences of financing opportunities and instruments for clean energy and environment projects. The proposed webinar will discuss in detail the numerous financial instruments; identify the risks and barriers to financing in developing countries; describe selection of appropriate financing instrument; discuss role of financial intermediaries and institutions; explain private public partnerships, and present specific case studies on the use of appropriate financing instrument. Moreover, the webinar will also discuss grant-based financing available through multilateral financial institutions and micro financing institutions.

Objectives:

The overall objective of this webinar is to highlight the various financing opportunities and instruments that have been used in developing countries for renewable energy, environmental and energy efficiency projects. The webinar will share specific financing instruments, case studies and provide participants with information on what type of instrument is selected in which particular scenario.

Major Aspects /Topics to be covered during the Webinar

The following aspects shall be covered in the webinar (but not limited to):

- a) Identification of financing risks and barriers in developing countries
- b) Specific financing challenges for each renewable energy technology type
- c) Detailed overview of financial opportunities/instruments
 - a. Grants and long term equity
 - b. Venture capital equity
 - c. Debt
 - d. Asset backed securities
 - e. Guarantees and insurance
 - f. Results based financing
 - g. Carbon financing
 - h. Micro financing
 - i. Green bonds
 - j. Energy efficiency finance
- d) Role of financial intermediaries
- e) Case Studies

Potential Professional Resource

Expert speakers from government, private sector and academia, having experience in various financing opportunities and instruments for renewable energy, environmental and energy efficiency projects will be invited from and outside SAARC region to speak for 25-40 minutes to share their knowledge. SEC Coordinator will finalize the event program in close coordination with the speakers.