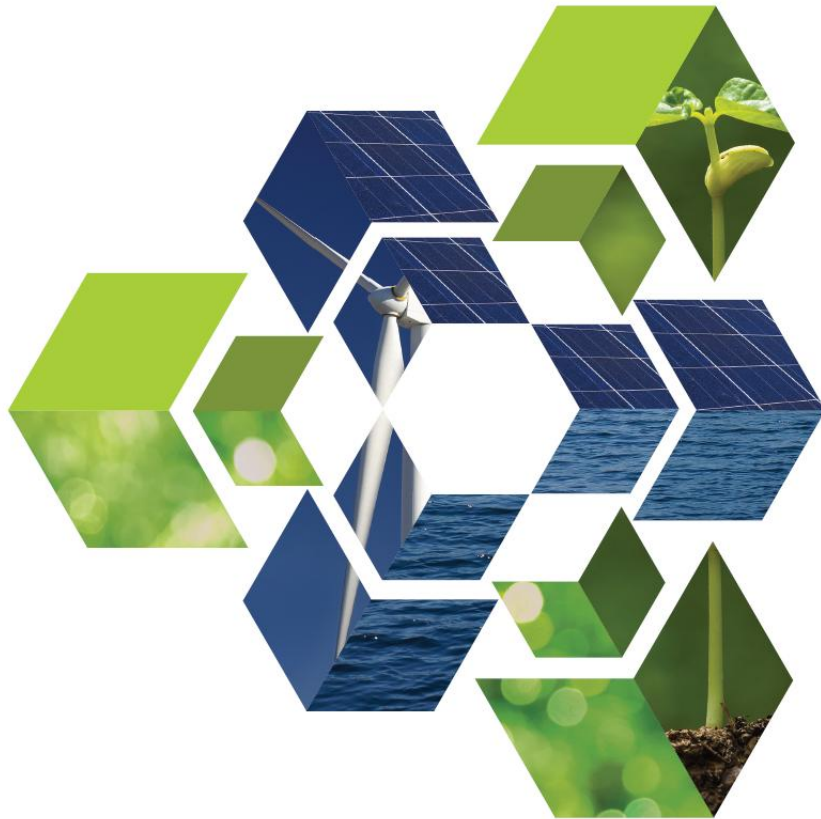


UNLOCKING RENEWABLE ENERGY INVESTMENT:

THE ROLE OF RISK MITIGATION
AND STRUCTURED FINANCE



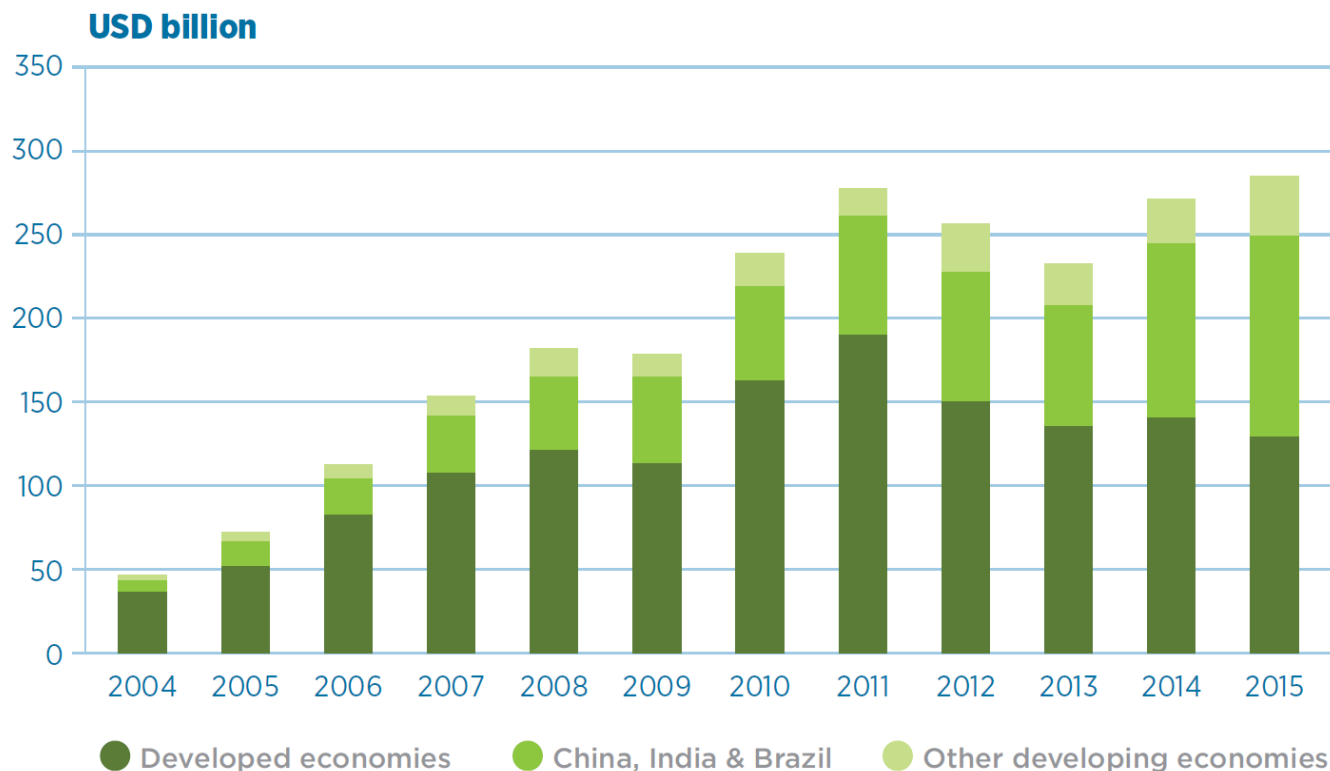
**Regional Workshop on Overcoming Critical
Bottlenecks to Accelerate Renewable Energy
Deployment in ASEAN+6 Countries**

15 June 2016

Aleksi Lumijarvi, Programme Officer -
Renewable Energy Private Sector Finance

Growing investment needs in developing countries

Global annual investment in renewable energy in developing and developed countries



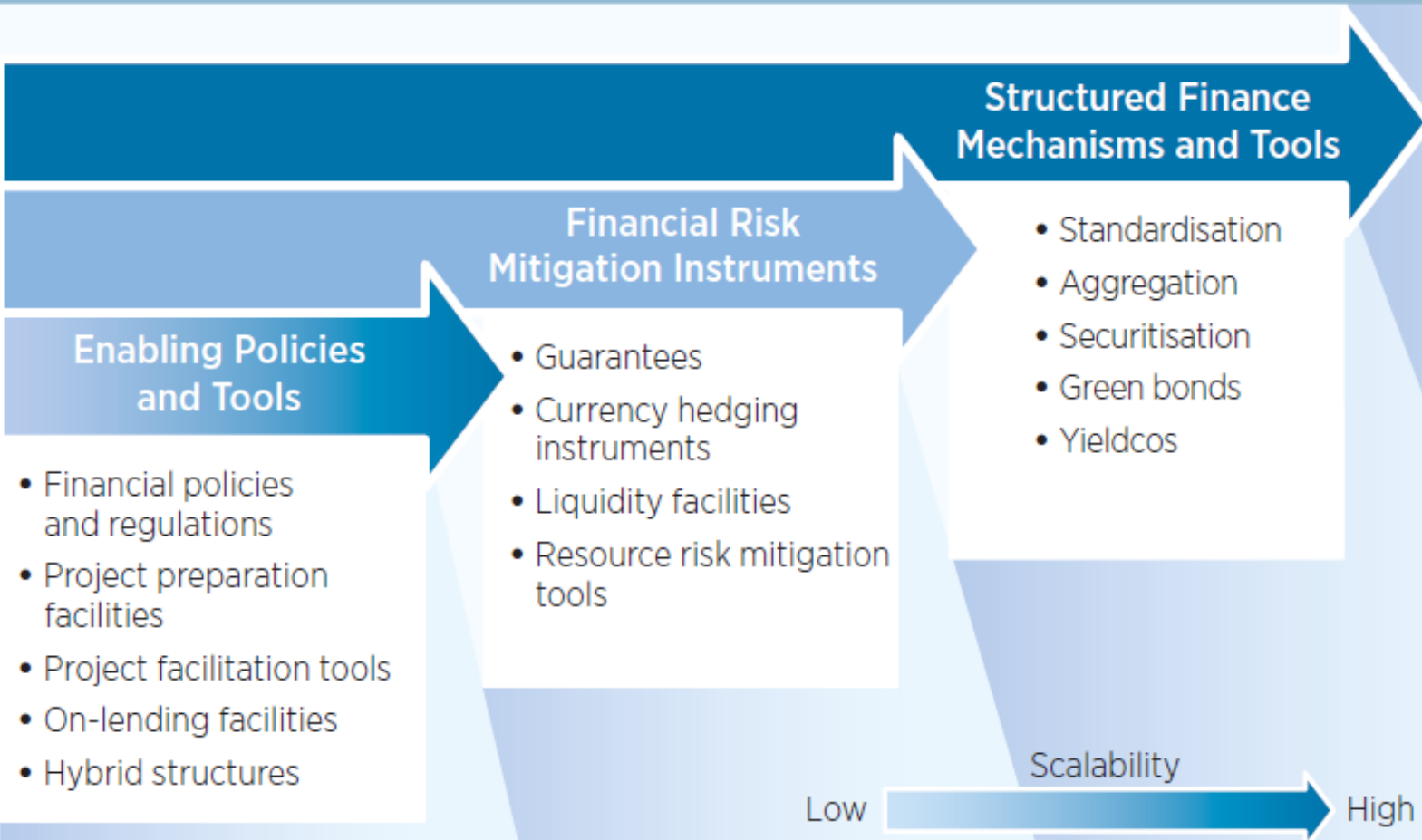
To double the share of renewables in the global energy mix, renewable energy investment needs to be scaled up significantly and rapidly.

Key challenges in unlocking renewable energy investment from the private sector

Project start-up and development	Investment risk management	Scaling-up investment
<ul style="list-style-type: none">• Limited experience in the financial sector• Availability of investment-ready projects• Limited access to capital	<ul style="list-style-type: none">• Political risk• Policy and regulatory risk• Counterparty risk (power off-taker risk)• Grid interconnection and transmission line risk• Currency risk• Liquidity and refinancing risk• Resource risk• Technology risk	<ul style="list-style-type: none">• Insufficient investment size and high transaction costs• Financial regulations restraining illiquid and riskier investments

Toolkit to unlock investment in renewables

Policies, tools and instruments that reduce barriers and mitigate risks





1 Advance renewable energy projects from initiation to full investment maturity.

- » Support project preparation through capacity building and dedicated grants
- » Facilitate interaction between project developers and investors, using platforms like IRENA's *Sustainable Energy Marketplace* (<http://marketplace.irena.org/>)



2 Engage local financial institutions in renewable energy finance.

- » Develop dedicated resources and build capacity at local financial institutions
- » Design and implement on-lending facilities for renewable energy projects



3 Mitigate risks to attract private investors.

- » Streamline procedures and redirect institutional incentives to enable greater provision of risk mitigation instruments
- » Develop new risk mitigation instruments, structures, funds or facilities for power off-taker risk and currency risk in emerging markets



4 Mobilise more capital market investment.

- » Establish standardised project documentation, tendering, contracting and due diligence processes
- » Expand the project pipeline and aggregate projects
- » Develop policy and guidelines for green bond issuance



Thank you!

