

## D. CLIENTS ORGANIZATIONS THAT CAN BENEFIT FROM SE4ALL PDF SUPPORT

<p><b>Clean Energy Entrepreneurs</b></p> <ul style="list-style-type: none"> <li>Are you looking for funding?</li> <li>Are you looking for mentors that can provide technical, financial, management and human resource expertise?</li> </ul>	<p><b>Private Equity Funds</b></p> <ul style="list-style-type: none"> <li>Are you looking for viable clean energy investments?</li> <li>Do you lack manpower to assess all the clean energy proposals that come your way?</li> </ul>	<p><b>Non-Bank Finance Companies</b></p> <ul style="list-style-type: none"> <li>Are you interested to develop a clean energy portfolio?</li> <li>Are you looking for viable clean energy investments?</li> <li>Are you interested to develop financing products for clean energy companies?</li> </ul>	<p><b>Commercial Banks</b></p> <ul style="list-style-type: none"> <li>Do you want to train your account officers to identify viable clean energy lending opportunities?</li> <li>Are you interested to fund clean energy projects if</li> </ul>	<p><b>Clean Energy Practitioners</b></p> <ul style="list-style-type: none"> <li>Do you want to share your pioneering clean energy work to a broader audience?</li> <li>Are you interested in the latest trends and best practices in the clean energy sector?</li> </ul>
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## E. APPLICATION HOW TO RECEIVE SUPPORT FROM THE SE4ALL PDF

<p><b>1 Register in the SE4ALL Asia Pacific Network</b></p> <p>Organizations must register in the Energy for All website to receive SE4ALL PDF Support.</p>	<p><b>2 Preliminary Assessment</b></p> <p>Schedule a meeting with the Energy for All Team and provide basic project information.</p>	<p><b>3 Mentoring / Due Diligence Support</b></p> <p>The SE4ALL PDF's services will be tailored to the results of the preliminary assessment.</p>	<p><b>4 Investor Matching / Investment Referrals</b></p> <p>Investment-worthy clean energy companies will be marketed to investors in the SE4ALL Asia Pacific Network</p>
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## F. FORGING PARTNERSHIPS COLLABORATE WITH THE SE4ALL PDF

Forging partnerships is essential to achieving the energy access, renewable energy and energy efficiency goals in the Asia Pacific Region.

Strategic partnerships help rationalize the financial and human resources among development organizations and practitioners, and directs these assets towards common objectives.

The Sustainable Energy for All Asia Pacific Regional Hub Secretariat in ADB is constantly seeking new partners who are equally committed to inclusive and environmentally sustainable development.

**To take part in the implementation of the Sustainable Energy for All Project Development Facility, contact:**

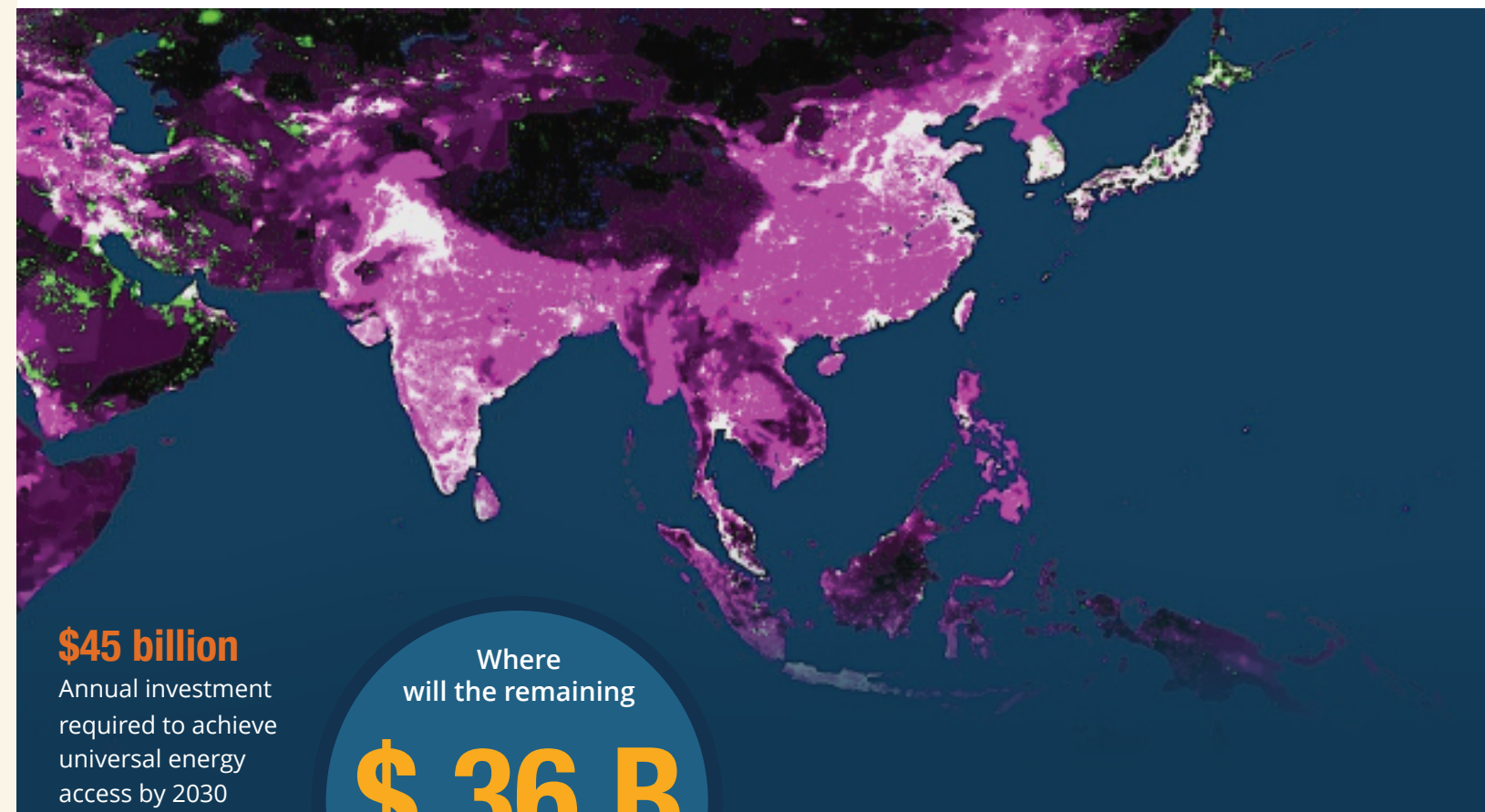
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Energy for All Initiative  
Sustainable Energy for All – Asia Pacific

The ADB Sustainable Energy for All Project Development Facility is supported by:



**\$45 billion**  
Annual investment required to achieve universal energy access by 2030

**\$9 billion**  
Combined annual contribution of Multilateral Development Banks, Government Agencies and the Private Sector

Where will the remaining  
**\$ 36 B**  
Annual investment\*  
come from?

\*Based on the Sustainable Energy for All Finance Committee Report (June 2014)

**4.2 B people** total population in Asia and the Pacific  
**600 M people** people have no access to basic electricity services  
**1.8 B people** people still use traditional biomass for cooking and heating

# BRIDGING THE INVESTMENT GAP

A programmatic approach to mobilizing the private sector to achieve the 2030 Goals

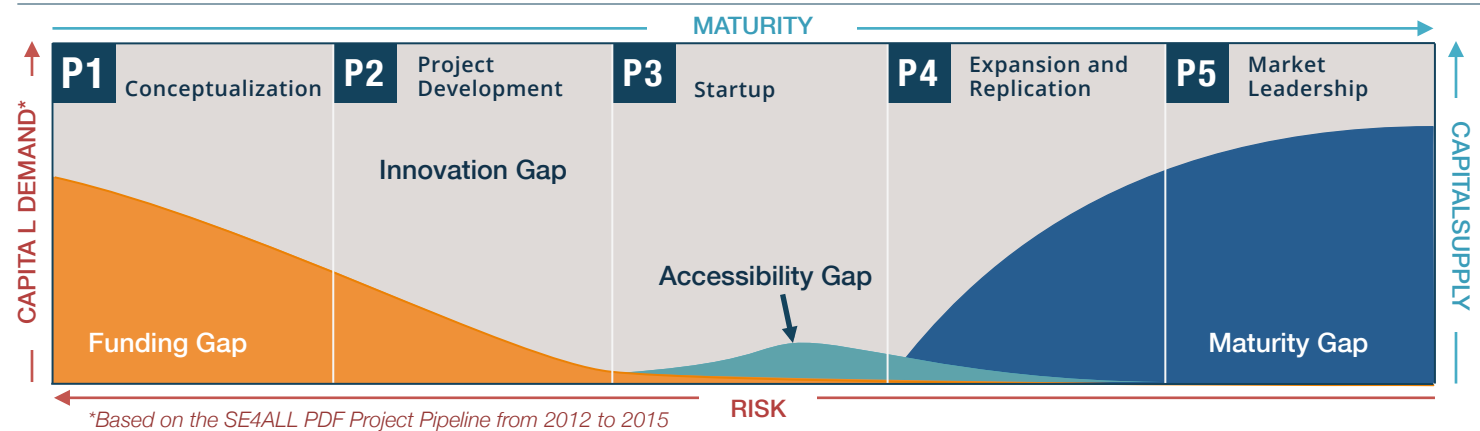
The private sector has the resources to shoulder bulk of the \$36 billion annual investment shortfall to achieve universal energy access by 2030. However, the real question is how to motivate the various groups within the private sector to do so, given their varied interests.

Based on ADB's success in facilitating investments in the energy access sector, offering a customized suite of services that cater to the needs of entrepreneurs, private

equity funds, commercial banks and other private sector players is an effective catalyst for engagement and action.

This approach is the foundation of the **ADB Sustainable Energy for All Project Development Facility (the "SE4ALL PDF")**, which seeks to extend these suite of services to the renewable energy and energy efficiency sectors.

## A. VISUALIZING THE PROBLEM THE FOUR GAPS



\*Based on the SE4ALL PDF Project Pipeline from 2012 to 2015

### ■ Funding Gap

The number of clean energy companies that require development and feasibility funding far exceed the amount of capital available during the Conceptualization and Project Development Phases.

### ■ Accessibility Gap

Despite the availability of limited startup capital in Asia, companies are unable to secure investment since these funds are based overseas and require a sophisticated marketing strategy to attract.

### ■ Maturity Gap

The amount of funding locked in commercial banks and the capital markets far outweigh the number of mature clean energy deals that can satisfy due diligence requirements.

### ■ Innovation Gap

The lack of innovation in the project development and investment space creates bottlenecks in the different stages of a company's development, which inhibits private sector participation.

## B. SERVICES FOR MEMBERS OF THE SE4ALL ASIA PACIFIC NETWORK

The services offered by the Sustainable Energy for All Project Development Facility (SE4ALL PDF) is divided into **Entrepreneurs Services** and **Investor Services**. Each of these services are deployed to facilitate private sector investment in clean energy companies in Asia and the Pacific. As such, these services can only be deployed once the company being evaluated for investment reaches certain stages of maturity (refer to Box 1).

### ■ ENTREPRENEUR SERVICES

**1| Customized Mentoring.** Entrepreneurs that are in the middle of investor negotiations may request for assistance from the SE4ALL PDF to meet specific due diligence requirements, such as technical designs and financial models.

**2| Credit Enhancement.** The SE4ALL PDF may increase the investment worthiness of a company by providing guarantees or first loss facilities.

**3| Investor Matching.** Mature clean energy companies may be marketed by the SE4ALL PDF to its network of investors through investor forums, webinars or private deal flow sessions.

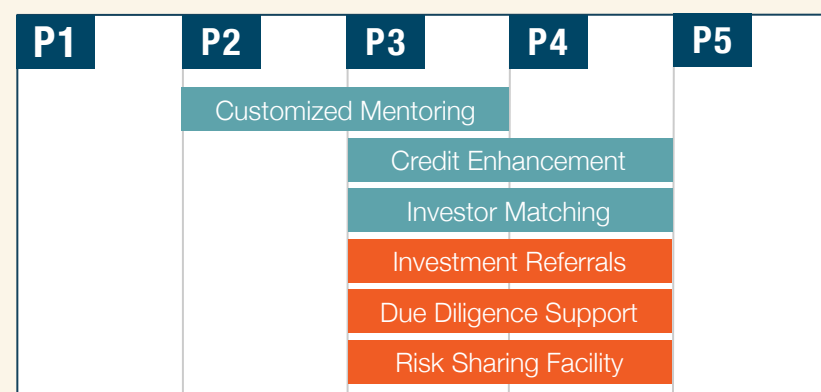
### ■ INVESTOR SERVICES

**4| Investment Referrals.** Registered investors will have access to the SE4ALL PDF's database of clean energy companies.

**5| Due Diligence Support.** Investors may request support from SE4ALL PDF Mentors to conduct due diligence on clean energy investments.

**6| Risk Sharing Facility.** Investors who are diversifying to the clean energy space may receive concessional funding from the SE4ALL PDF to reduce their risks and make the terms of their financing products more accessible to entrepreneurs.

### BOX 1. FIVE STAGES OF MATURITY



**PHASE 1 | Conceptualization.** The company is in the research and development stage, or in the process of putting together a business plan.

**PHASE 2 | Project Development.** The company has a business plan, and is in the process of validating the assumptions behind their financial model through actual market surveys or pilot operations.

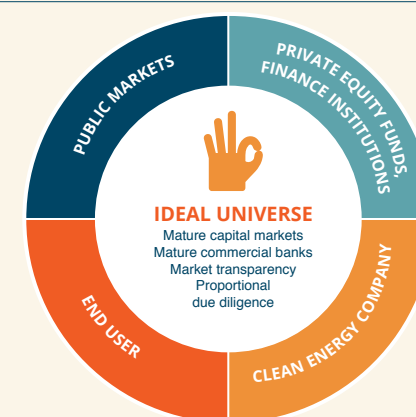
**PHASE 3 | Startup.** The company has been operating for less than 3 years, and has a validated record of revenue.

**PHASE 4 | Expansion Phase.** The company has successfully established their core operations and is expanding to new markets.

**PHASE 5 | Market Leadership.** The company has a defensible position in the market and does not require SE4ALL PDF support.

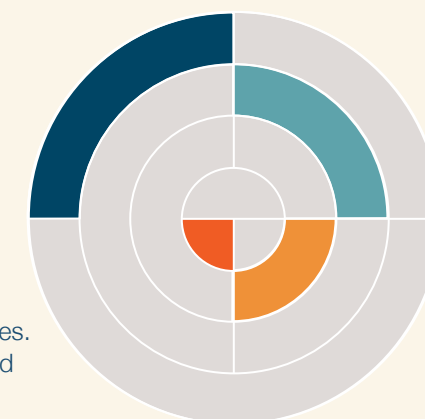
# SUSTAINABLE ENERGY FOR ALL PROJECT DEVELOPMENT FACILITY

## BOX 2. IDEAL UNIVERSE VERSUS FRACTURED UNIVERSE



**OUR GOAL.** In an **Ideal Universe** capital flows freely between Capital Markets, Private Equity Funds, Finance Institutions, Clean Energy Companies and End-Users.

**THE PRESENT.** However, we live in a **Fractured Universe** where private sector players have different interests and priorities. As a result, capital does not flow freely and clean energy solutions don't get funded.



## C. OUTCOMES CASE STUDIES OF SUCCESSFUL DEPLOYMENT OF THE SE4ALL PDF

### CASE 1 | BRIDGING THE GAP BETWEEN CLEAN ENERGY COMPANIES AND END-USERS

**SE4ALL PDF SUPPORT.** The SE4ALL PDF featured Simpa Networks in a regional investor forum last June 2013, which resulted in a direct investment by the ADB Private Sector Operations Department.

**IMPACT.** Simpa Networks developed a Pay-As-You-Go system that lowers the initial acquisition cost of energy products for rural households.

**INNOVATION.** The cost of the product is built into the price of the energy credits that end-users need to purchase to activate the product's features.

BEST PRACTICE DISSEMINATION



### CASE 2 | BRIDGING THE GAP BETWEEN CLEAN ENERGY COMPANIES AND INVESTORS

**SE4ALL PDF SUPPORT.** The SE4ALL PDF deployed its Mentors to assist Gham Power Nepal design its first mini-grid venture. If the company succeeds, it will be able to transition from being a vendor to a project developer.

**IMPACT.** Mini-grids have the potential to enable rural economic development since they can power small electronic tools and appliances that can make rural businesses more productive.

**INNOVATION.** By hand-holding competent entrepreneurs as they adopt new business models and technologies, the SE4ALL PDF is able to maximize the impact of the limited resources in the energy access sector.

CUSTOMIZED MENTORING



### CASE 3 | BRIDGING THE GAP BETWEEN INVESTORS AND CLEAN ENERGY COMPANIES

**SE4ALL PDF SUPPORT.** The SE4ALL PDF assisted ERM Low Carbon Enterprise Fund to conduct due diligence on E-Hands Energy, mini-grid company based in India.

**IMPACT.** The additional manpower provided by the SE4ALL PDF enabled ERM to expedite the due diligence process and secure board approval for the investment in E-Hands.

**INNOVATION.** Some impact funds have limited manpower to process all the investment proposals which come their way. The SE4ALL PDF's team of qualified Mentors can be deployed as needed to supplement this gap.

DUE DILIGENCE SUPPORT



### CASE 4 | BRIDGING THE GAP BETWEEN INVESTORS AND CAPITAL MARKETS

**SE4ALL PDF SUPPORT.** The SE4ALL PDF implemented a credit enhancement scheme to assist Maanaveeya, the India office of OIKO Credit International, in developing a portfolio of energy access companies.

**IMPACT.** Maanaveeya is now conducting basic due diligence on energy access companies in India to shortlist potential recipients of its working capital product.

**INNOVATION.** Through targeted deployment of development funds, the SE4ALL PDF is able to de-risk clean energy investments and encourage investors to fund clean energy companies.

CREDIT ENHANCEMENT

