



Mobilizing Investment in Developing Countries – Part I

– A Multilateral Approach –

**International Renewable Energy Investment Meeting
5-6 October 2006, Santiago**

Sponsored by Chilean Economic Development Agency

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Brief History of CTI

- In 1995, the Climate Technology Initiative established at the First Conference of the Parties to the UN Framework Convention on Climate Change by a group of OECD countries and the European Commission as a voluntary activity to contribute to developed countries' commitments under Article 4.5 of the Convention by **fostering international cooperation to promote the more rapid development and diffusion of climate-friendly and environmentally sound technologies and practices.**
- Reformed as an Implementing Agreement under the International Energy Agency in July 2003.

What does Art. 4.5 say?

- Spells out obligations of “developed country Parties”
- “...promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties, particularly developing country Parties, to enable them to implement the provisions of the Convention.



CTI Supports the UNFCCC through a Multilateral Approach

By allowing OECD Member countries and OECD non-Member countries to work together to foster international cooperation for the accelerated development and diffusion of climate-friendly and environmentally sound technologies and practices

Who are the CTI Countries?

- *Austria*
- *Finland*
- *Japan – Vice Chair*
- *Republic of Korea*
- *United States – Chair*
- *Canada*
- *Germany*
- *Norway*
- *United Kingdom – Vice Chair*

Supported by a highly motivated Programme Secretariat under the direction of an experienced Programme Manager

Since being formed, CTI has-

- undertaken a broad range of cooperative activities in partnership with developing countries and economies in transition, including with other international bodies;
- advanced the cause of technology transfer under the Framework Convention through a variety of technology enhancing and capacity building activities.

(Annual Reports and website provide details
www.climatetech.net)

Besides governments, CTI works closely with:

- IEA and UNFCCC Secretariats
- the Expert Group on Technology Transfer(EGTT)/UNFCCC
- **Business and Financial Sectors**
- relevant IEA Implementing Agreements
- other international organizations or initiatives (WB, UNDP, UNEP, UNIDO, etc.)
- Academia and Research Communities



CTI Core Activities Include:

1. Technology Needs Assessments
2. Seminars and Symposia
3. Implementation Activities
4. Training Courses
5. Information Dissemination
6. Support Activities

Recurring discussions/findings:

- Importance of partnership (e.g., public/private, etc.)
- Essential role of private sector (internal & external)
- Presence of the necessary enabling environment that promotes sustained participation by the business and financial communities -
 - Clear and transparent rules & procedures
 - Well functioning institutional settings
 - Effective IPR protection
- **Need for Targeted Capacity Building**
- **Absence of sufficient public monies to make a meaningful impact on technology needs of developing countries**

Searching for solution, organized workshops on Innovative Options to Finance Tech Transfer


- *Held workshops in Montreal Sept. 2004 & Bonn Oct 2005 (Chile participation)*
- *Trying to solve the very real problem of financing technology needs.*
- **Heavy Participation from the Private Finance Community**
- *Looking for practical ways to leverage scarce resources*
- *Experimented with financing proposal coaching*

Messages from financing workshops

- There was not a shortage of financing .
- There was not a shortage of good projects.
- But, there was a shortage of good financing proposals meeting the standards of the international finance community.

CTI and private international finance community responded...

- **Perceived** the need for private financing to overcome absence of public funds not as a barrier, but as an opportunity.
- **Recognized** that through technical assistance and coaching, project developers could prepare financing proposals of the necessary quality to secure private financing.
- **Established** Private Financing Advisory Network (PFAN) in early 2006 to provide such assistance
 - HERA International - Peter Storey
 - FE Clean Energy Group – George Sorenson
 - LaGuardia Foundation – Patrick D’Addario



**But, this is not something
that takes place on its own.
There are multiple players,
where government can play
a key role.**



Chile has taken bold step forward, sending the right messages...

- Clean energy is a priority
- Favorable investment environment
- Facilitating investment opportunities through public/private partnerships that provide a variety of incentives and services
- Matchmaking events such as this meeting that reduce transaction costs for both project developers and potential investors.