



Clean Technology AustralAsia

Financing Renewable Energy

**Asian Clean Energy Forum –
ADB, Manila, 27th June 2007**

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Overview

- About Clean Technology AustralAsia
- Drivers
- RE Investment Trends
- Barriers
- Solutions

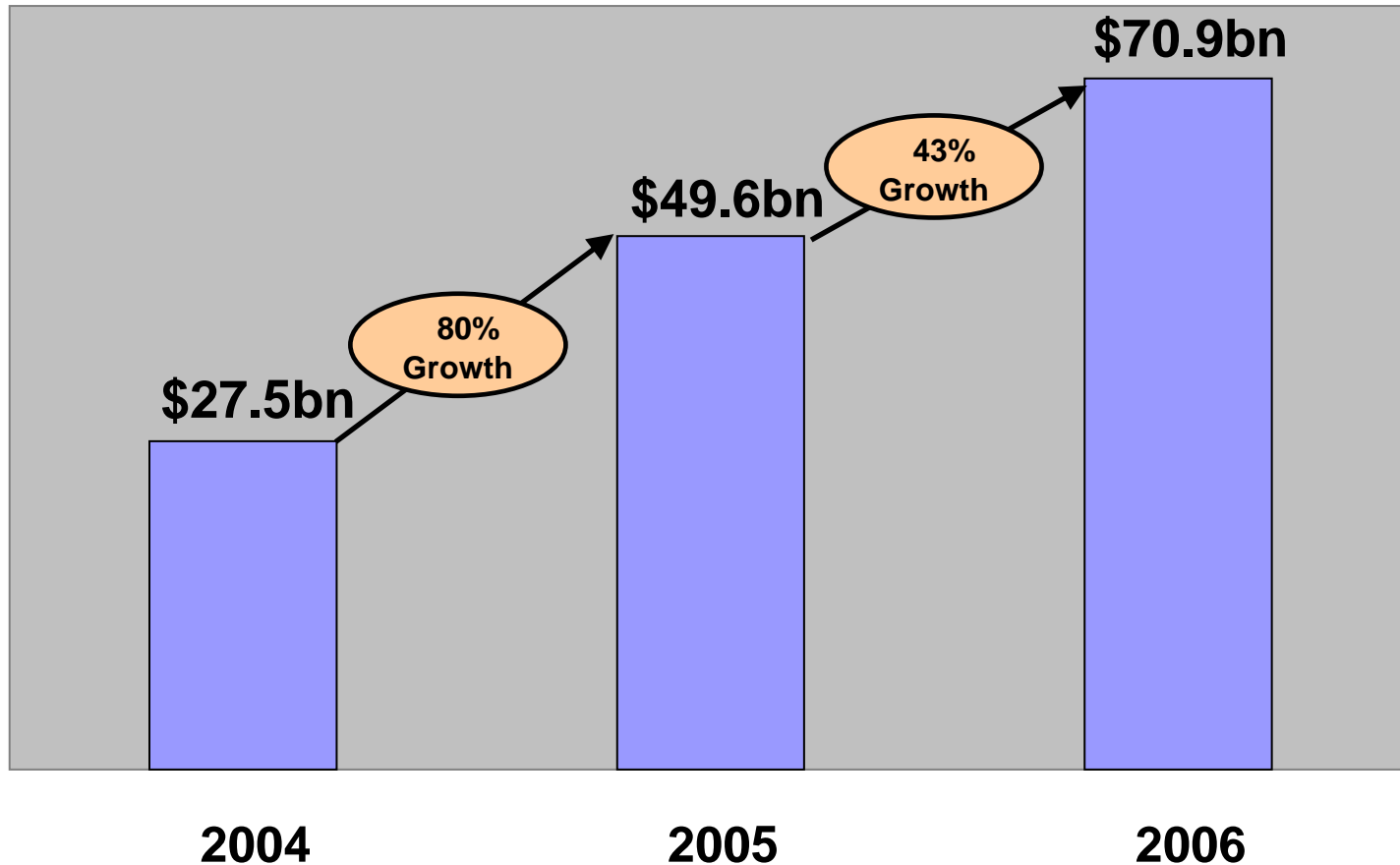
Clean Technology AustralAsia

- Mission to accelerate the investment in and deployment of cleantech in the Asia Pacific to address Sustainable Development
- **Asia Pacific Partnership- Invitation to participate**
 - Questionnaire
 - Case Studies
 - Strategic Action plan
- **1st India Cleantech Forum**
 - 3rd August 2007 New Delhi
- **4th AustralAsian Cleantech Forum**
 - March 2007, Melbourne

Drivers for investment in RE in Asia

- 1 Rapid economic growth.
- 2 Energy security concerns.
- 3 Economics stacking up.
- 4 Environmental concerns.
- 5 More favourable regulatory environment.
- 6 Social pressures.

Global Investment in Clean Energy 2004 - 2006



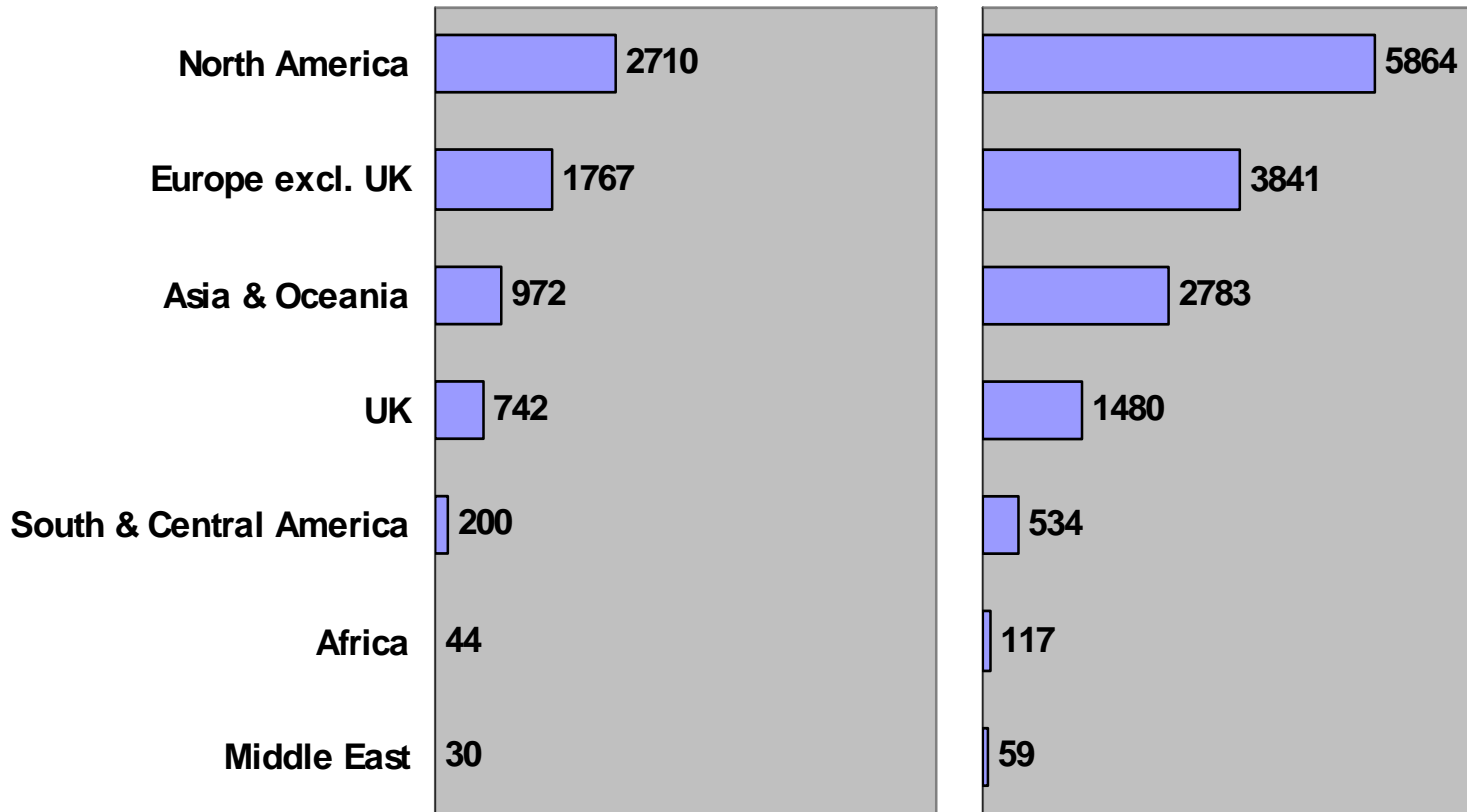
Grossed-up estimate based on disclosed deals. New investment only.

Source: New Energy
Finance

Clean Energy Companies

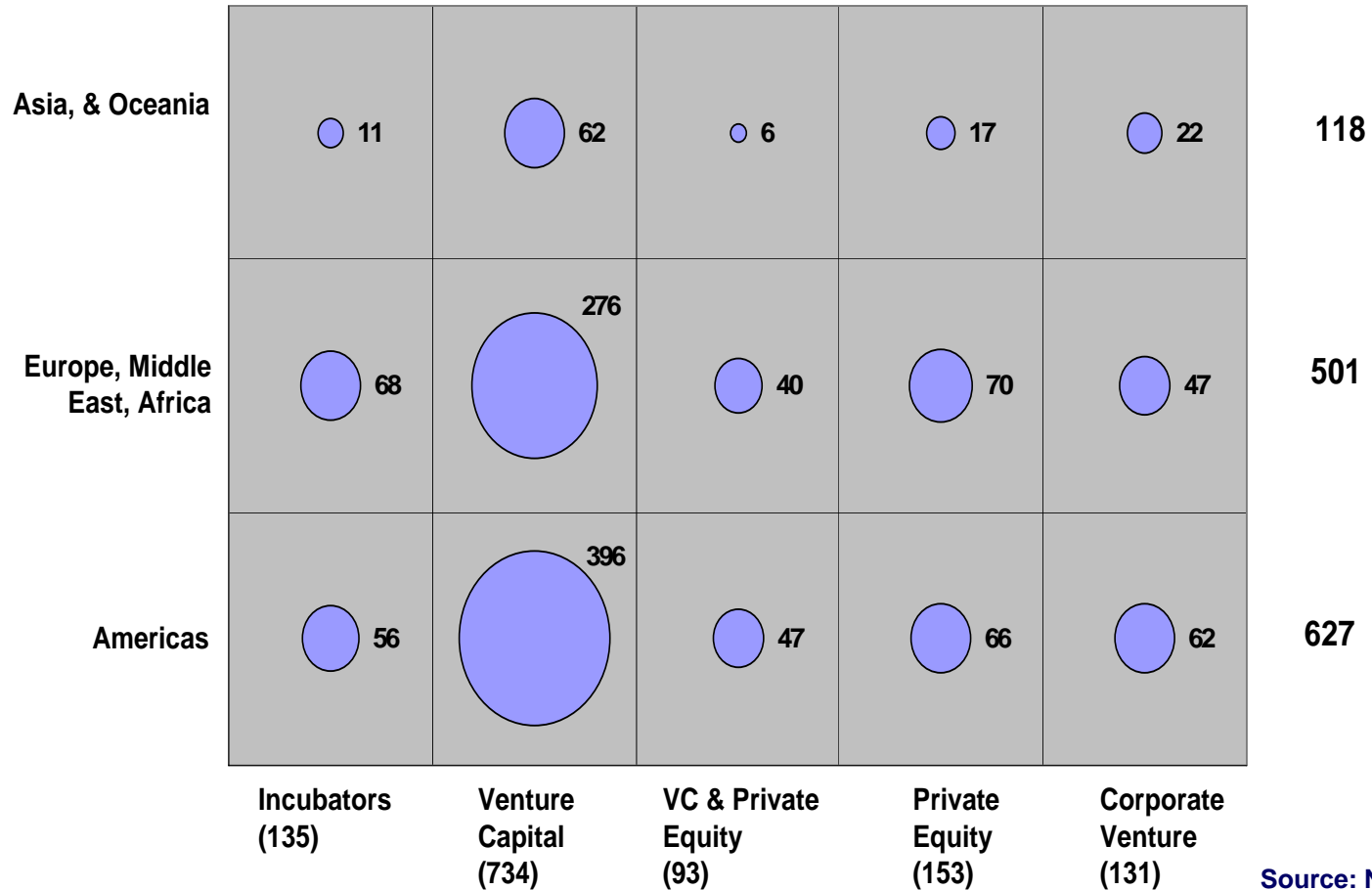
October 2005

April 2007



Source: New Energy Finance

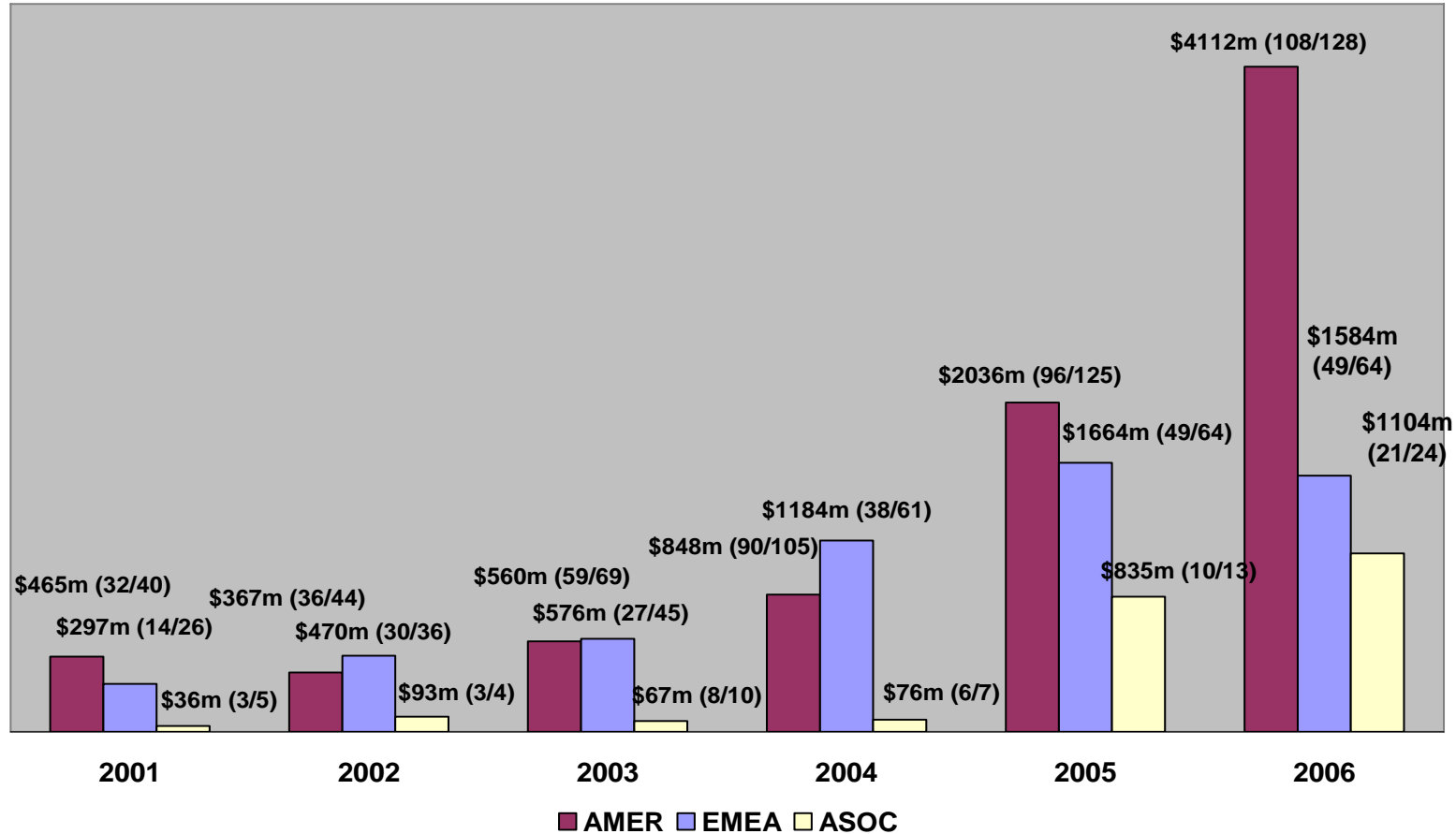
Venture Capital/Private Equity Funds Known to be Targeting Clean Energy, 2006



Source: New Energy Finance

Excludes Chinese incubators; based on 1246 funds known to New Energy Finance to be targeting clean energy technology.

Global VC+PE Investment by Region 2001 - 2006



Grossed-up estimate based on disclosed deals. Includes PE – Buy-outs, excludes PIPE/OTC Secondary and OTC deals. Figures in brackets represent (deals with disclosed value/total number of deals).

Source: New Energy Finance

Barriers to Accelerating investment in RE

- Lack of Co-ordinated policy
- Market distortions
- Weak or unclear regulatory environment
- Technology-specific barriers
- Lack of access to affordable capital
- Uncertainty surrounding son of Kyoto
- Lack of capacity at all levels

Solutions – Removing the barriers

- Policy, regulatory and legal certainty
- Fast track globalisation of technology
- Innovation in financing
- Knowledge Sharing/Capacity building at all levels

Solutions – Policy, regulatory and legal certainty

- Consistent national and regional policies
 - Coordination between government agencies
 - Establish best practice policy framework/guide
 - Establish private sector advisory board
- Policy guarantees
 - Power purchase agreements, Portfolio standards
 - Produce evidence that the policies create jobs & investment
- Level the playing field
 - Address market distortions
 - Identify the cost of externalities in conventional energy vs RE
- Protection in law
 - Catalogue of legal “best practice” to create enabling environment for Investment

Solutions – Fast track globalisation of technology

- Investment grade data on RE
 - Establishment of an information clearing house
- Technology mapping
 - Identify the gaps and competitive advantages of countries and regions
- Increased R&D collaboration
 - Build effective regional partnerships around technology specific R&D
- Greater private sector involvement
 - Business matching through targeted RE trade missions

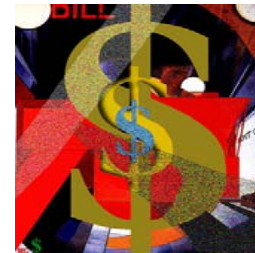
Solutions – Innovation in financing

- New products and Funds and financing arrangements
 - Feasibility for clean energy early stage/start up funds, finance for micro utilities, green property, sustainable infrastructure
- Package Solutions
 - Develop local initiatives eg Sustainable Melbourne Fund – turn key audit, finance, retrofit and pay through savings
- Innovation in Carbon Finance
 - produce accessible information on negotiation and trading of GHG credits

Solutions – Knowledge Sharing/Capacity building

- Capacity building for all RE industry participants
 - Pension Trustees- carbon risk masterclasses
 - Investors- identify and evaluate investable opportunities
 - Project financiers- catalogue and aggregate RE project risk
 - Developers- how to package proposals
 - Policy makers – create an enabling environment
 - Consumers- empower with choice
- Standardized guides and case studies
 - Success stories and roadmaps
- Platforms for knowledge exchange
 - Bring financiers, policy makers and developers/entrepreneurs together
- Innovation in education
 - University faculties, student leadership development,
- Connect people

Knowledge + Passion + Capital



= Sustainable Development



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