

2020

Project Facilitation within the Climate Investment Platform

Introduction

CIP taking effect

The [Climate Investment Platform \(CIP\)](#) is a joint initiative of the [United Nations Development Programme \(UNDP\)](#), [Sustainable Energy for All \(SEforALL\)](#) and the [International Renewable Energy Agency \(IRENA\)](#), in co-ordination with the [Green Climate Fund \(GCF\)](#). It aims to increase the flow of capital in developing countries to meet climate ambitions and fulfil the Sustainable Development Goal (SDG) for clean, affordable energy, SDG7.

The initiative creates a virtuous cycle, whereby countries can set up ambitious energy and climate targets, including Nationally Determined Contributions (NDCs) under the Paris Agreement, and then make use of the platform to create an enabling legal and regulatory environment. In the next phase, the initiative aims to mitigate residual risks and help projects attract funding to build and operate.

The CIP services cover four key building blocks in the climate finance value-chain:

- Track 1 - Climate targets: Helping governments to set ambitious targets and scale up their NDCs;
- Track 2 - Policies and regulations: Establishing well-designed, fully implemented and consistently enforced clean energy policies and regulations;
- Track 3 - Market Place: Providing a market-place to connect clean energy investors and project sponsors;
- Track 4 - Financial De-risking: De-risking clean energy projects to ensure financial access and bankability.

The “[IRENA for CIP](#)” framework helps to put CIP objectives into operation. With IRENA leading CIP risk-mitigation and matchmaking activities, project proponents (developers or sponsors) can register vis this web-based framework to connect with potential financial backers.

Registered project proponents should submit a request to obtain support for project development and/or access to finance for a renewable energy project.

Partnerships

To implement CIP objectives, IRENA collaborates with a wide range of public and private stakeholders committed to supporting and advancing renewable energy projects. The partners who registered in IRENAs website include UN Agencies, multilateral development banks, bilateral development banks, donor initiatives, non-governmental organisations, local financial institutions and private project developers. Since the initiative’s launch in January 2020, over 200 partners have expressed interest. These include the European Bank for Reconstruction and Development, the Global Environment Facility, the Islamic Development Bank (IsDB), the United Nations Industrial Development Organization (UNIDO), the World Bank Group, as well as Dutch development bank FMO, Enel Green Power, Italian investment bank CDP, the RES4Africa Foundation and other companies and organisations.

Projects

“IRENA for CIP” now hosts over 170 projects, varying in size from large power utilities to small off-grid projects. They are spread across the world, with a significant concentration in Sub-Saharan Africa, and they are at different stages in the project cycle.

Organisation

IRENA’s newly formed Project Facilitation and Support division bundles all the actions needed on the ground to deliver CIP-related risk mitigation and project facilitation. Experienced transaction advisers will soon join the existing team to help prepare project documentation to meet the requirements of financial partners.

Operationalisation

IRENA aims to host Investment Forums starting next year through the following sub-regional clusters:

- Central Africa
- East Africa
- North Africa
- Southern Africa
- West Africa
- Central Asia
- Southeast Asia
- South Asia
- Middle East
- Central America
- South America
- Caribbean Small Island Developing States
- Pacific Small Island Developing States

The planned Investment Forums will include matchmaking events, in which project owners and CIP partners can discuss projects face to face; and where countries, CIP partners and project owners can share experiences and proposals to improve the legal and regulatory environment to attract additional investments.

Project facilitation: Added value to CIP support

The CIP can guide projects and partners to match supply and demand

In doing this matchmaking, projects and banks can significantly reduce their transaction time and transaction costs.

Financial institutions working in the renewable energy sector may have specific needs and considerations. They tend to maintain different eligibility criteria, assess risks in a different way, and offer different products at different stages in the development of a project.

The CIP recognises how country features can affect project bankability

IRENA, UNDP, the GCF and other institutions that have joined the CIP bring together a unique database of country information, enabling them to assess the capacity of countries to attract investments and the conditions under which projects could progress.

The CIP can assist selected projects in the preparation of their file

CIP partners can assess projects and prepare proposals with the content and format that lenders need. Many developers have only a limited view of potential lenders and little experience in the preparation of project proposals. The CIP can advise developers and help to prepare a project file in a way that increases their chances of success.

IRENA acts as a neutral facilitator

IRENA can create a level playing field with transparent assessment criteria. This can speed up matchmaking and reduce the time taken to reach informed decisions, whatever the outcome.

The CIP can advise governments on how to strengthen project bankability

Most countries around the world are members of IRENA, UNDP and the GCF. The CIP's broad, global partnership based ensures credibility with governments receiving advice on how to strengthen project development.

IRENA's Investment Forums will bring governments, lenders and project proponents together

Regional-level engagement can level the playing field in a meaningful way, providing solutions to overcome common investment barriers. Governments, lenders and projects all have a role. Bringing all three together can help to achieve a consensus and at times a breakthrough on the way forward.

The CIP promises to mobilise sustainable energy funding at a substantial scale

Powerful lenders and guarantors have signed on as CIP partners. Such institutions can influence government decision-making, and their participation in projects can in turn attract more risk-averse financiers with additional capital.

The CIP can help to align projects with government priorities

CIP partners understand the priorities and planning processes of countries, as well as the realities of the energy sector. They can advise projects on likely hurdles, possible solutions, and the best way to achieve a breakthrough.

The CIP helps to shape future investment conditions

Beyond project facilitation, the CIP is also intensely involved in the development of an enabling environment for sustainable energy projects in each country, along with the ground work needed to eventually move projects forward.

The CIP does not compete with other initiatives

Instead, it embraces them and looks for synergies. CIP partners take part in multiple other initiatives and are constantly liaising and co-ordinating these different activities. Several such initiatives are directly registered as CIP partners.

For more information, please visit the “IRENA for CIP” web portal (www.irena.org/irenaforcip) or contact IRENA’s CIP team: cip@irena.org.