



ML Strategies Legislative Update



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INTERNATIONAL CLEAN ENERGY FINANCE OPPORTUNITIES

While many view Washington today as a barrier, not a catalyst for clean energy investment, federal agencies and international institutions headquartered in D.C. continue to present substantial opportunities for the promotion, export, and financing of clean energy technologies and projects.

In a post-stimulus world, policy uncertainty and budgetary restraints persist in the United States, but the international market continues to present a significant growth opportunity for technology providers, manufacturers, and project developers. The clean energy industry continues to gravitate toward nations with robust incentives, access to low-cost capital through public financing mechanisms, and stable, yet aggressive policy goals.

In 2011, utility-scale power generation asset investment exceeded \$165 billion across the world, with over \$44 billion flowing from developed to developing nations. For example, Saudi Arabia has committed to 41 GW of renewables by 2032, India is aiming to deploy 51 GW by 2017, and China plans on installing 49 GW of renewables in 2013 alone.

With core competencies in both international development and clean energy policy, ML Strategies enables companies to effectively capitalize on this burgeoning, international clean energy opportunity by leveraging our firm's subject matter expertise, relationships, and thought leadership in Washington.

Key agencies and institutions driving capital formation and cross-border investment in the clean energy space include:

U.S. AGENCIES

Export-Import Bank of the United States (Ex-Im)

As the official export credit agency of the United States, Ex-Im offers direct loans, loan guarantees, and other credit enhancements for U.S. companies seeking to finance the export of goods and services internationally. Promoting the export of clean energy technology is a policy priority at Ex-Im Bank, financing over \$1.5 billion over the last four years.

Overseas Private Investment Corporation (OPIC)

As the U.S. development finance institution, OPIC seeks to advance U.S. foreign policy through the mobilization of private capital into emerging markets. With a mandate to invest an environmentally

sustainable manner and a goal to reduce its portfolio's emissions profile by fifty percent, OPICs financial products such as loans and loan guaranties, political risk insurance, and support for investment funds have facilitated \$500 million into private equity funds focused on renewables, and commitments to renewable resources total more than \$1 billion.

U.S. Trade & Development Agency (USTDA)

USTDA prioritizes activities promoting clean energy projects worldwide, with renewable energy development receiving the largest recipient of almost 40% of funding over the last three years for a total of \$54.2 million. USTDA awards grants for feasibility studies that link foreign project sponsors with U.S. businesses to evaluate the technical, financial, environmental, legal and other critical aspects of infrastructure development project. This specialized form of assistance is designed to provide the detailed professional analysis that major infrastructure investments need to move forward to financing and implementation, thereby opening new export opportunities for U.S. companies.

Department of Commerce

The Department of Commerce stood up the Renewable Energy & Energy Efficiency Export Initiative (RE4I) to serve as focal point for U.S. clean energy trade promotion. Commerce helps U.S. companies navigate foreign markets through export advisory services, trade missions, and market analysis. Commerce's Export Advocacy Center also supports U.S. companies engage with foreign governments (and state-owned utilities) to promote U.S. companies bidding for foreign contracts. Finally, Commerce's "Gold Key" program arranges business meetings with pre-screened contacts representatives, distributors, professional associations, government contacts, and/or licensing or joint venture partners in foreign markets.

MULTILATERAL DEVELOPMENT INSTITUTIONS

World Bank

The World Bank's mission is to reduce poverty by providing low-interest loans, interest-free credits, and grants to developing countries, as well as co-financing with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors. Since 2003, the World Bank has invested about \$17 billion in low-carbon projects, of which \$14.2 billion have been in renewable energy and energy efficiency.

International Finance Corporation (IFC)

IFC is private sector investment arm of the World Bank Group and is the world's largest multilateral institution focused on private sector development in "frontier" markets. Over the last two years, IFC invested 10 percent of its portfolio, or \$1.7 billion in climate-related investments, with a target of reaching 20% by 2015. IFC's Climate Business Group provides financing for clean energy projects across the value chain from equipment manufacturers to power projects. IFC can invest in first-of-a-kind projects demonstrating technical feasibility, support local financial institutions to leverage domestic resources for clean energy investments, and develop innovative financial products that attract greater investment in clean energy.

Global Environment Facility (GEF)

GEF is an independent financial organization which provides grants to developing countries and countries with economies in transition for projects related to climate change. Since inception in 1991, GEF has invested \$905 million in 186 stand-alone renewable energy projects, as well as \$320 million in 69 mixed projects with renewable energy components, in 160 developing and transition countries. These investments have leveraged an additional \$9.59 billion in co-financing with other multilateral institutions.

Climate Investment Funds (CIF)

The \$7 billion CIF provides funding to developing countries to help them mitigate and manage the challenges of climate change. The CIF funds finance scaled-up demonstration, deployment, and transfer of clean technologies, by piloting investments in countries or regions with potential for significant greenhouse gas (GHG) abatement. CIF provides developing countries with grants, concessional funds, and risk mitigation instruments that leverage significant financing from the private sector, Multilateral Development Banks (MDBs), and other sources. The CIF's financial architecture is rooted in two trust funds – The Clean Technology Fund (CTF) and the Strategic Climate Funds (SCF),

which are expected to leverage over \$43 billion in financing from governments, the private sector, MDBs, and other sources. Five MDBs implement CIF-funded projects and programs: the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB), and World Bank Group (WBG).

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