

SUMMARY OF PROCEEDINGS

The Private Financing Advisory Network (PFAN)

in cooperation with

The Pacific Centre for Renewable Energy & Energy Efficiency (PCREEE)

&

The Fiji Rural Electrification Fund (FREF)

2nd PFAN round table on Energy Access & Private Financing in Fiji

Private Sector Forum

14th October, virtual meeting

10am – 12:30pm Fiji Time

The opening session to the 2nd PFAN round table on Energy Access and Private Financing was officiated by Mr. Solomon Fifita of PCREEE. In his address Mr. Fifita congratulated Fiji on its 50th Independence that was celebrated on the 10th October 2020. In addition, he also reiterated the message from Fiji's Prime Minister in ensuring that "no one is left behind" in our quest for development and specifically the relevance of this issue with respect to energy access and renewable energy development. He also congratulated Fiji on its handling of the COVID 19 situation and the stringent measures that were being implemented at the borders to manage the spread of COVID in the country.

The first session of the roundtable brought together a series of presentations from government, donors and related initiatives / organisations to focus in on the key issues and opportunities facing a scale-up of private sector financing for the energy access sector in Fiji including as follows:

- Mrs. Eva Kelly from **PFAN** who provided a summary of outcomes from PFAN's first roundtable session in late August, which identified and discussed the barriers and opportunities to scaling finance for energy access in Fiji from a public sector and donor perspective. Among the chief barriers identified were (are): Finance & Investment, Project Development and Capacity, Policy and Regulation, the Business Models and issues with respect to End Users. On the other hand the main opportunities or positives for building on and moving forward include: Technological, Support of Existing Projects, Replicability, the Support to FREF and Linkages to other sectors.
- Mr. Vineil Narayan of the Department of Climate Change under the Ministry of Economy who are also the current secretariat of **the Fiji Rural Electrification Fund (FREF)**. Mr. Narayan outlined and the objectives of the fund and its intention in terms of advancing the energy access agenda in Fiji. He explained the FREF Model in the context of the implementation of the Vio Mini Grid Island Project (first phase) with the initial funding from the DiCaprio Foundation. For the second phase, FREF has also secured funds from the United Kingdom to implement a total of 10 additional projects. The third envisages significant scaling to a total of 300 new communities where there is significant opportunity and intention to involve innovative blended finance approaches involving private sector finance and actors. Mr Narayan welcomed cooperation with PFAN in this respect to help structure and accelerate Phase 3 and to maximise the input and access of the private sector.

- Mr. Mick Lilley of the **Australian Infrastructure Financing Facility for the Pacific (AIFFP)** outlined the objectives of the facility and the criteria for consideration. The facility was opened in July 2019 with AUS 2.0 billion dollar of funding comprising 75% loans and 25% grants. The loan component of the facility is available to private companies and sovereign entities whereas the grant is only available to the latter. The fund focuses on critical infrastructure projects in the energy, water, transport & communication sectors and has been further opened up to other sectors as a result of the Covid pandemic. Projects need to have a public benefit focus and have a transformative effect.
- Mr. Zach Bloomfield of **GET.invest** outlined the preparation and financing challenges for access to energy projects. This was essentially categorised into 1) Scale, 2) Stakeholders, 3) Structure and 4) Risk. The Get.Invest Finance Catalyst provides tailored advisory support to enable access to energy developers in addressing these challenges.
- The **Fiji Development Bank (FDB)** representative Ms. Setaita Tamanikaiyaroi outlined the type of services that the bank was providing particularly under its green banking portfolio. The bank is an accredited entity under the GCF. It has branches through major towns in Fiji. It is looking at **Green Investment** and focusses on SMEs particularly in the area of Agriculture and Fisheries products. In the energy sector it has also participated in the World Bank Sustainable Energy Financing Project that promotes renewable energy and energy efficiency. FDB also referenced its new cooperation with PFAN which they hope will assist the Bank in being able to address more on renewable energy and energy efficiency related projects and companies. They also see the need for capacity building in these sectors.

Following a short “comfort break” the focus of the 2nd session of the Round Table turned to project opportunities and private sector actors and activities.

- Mr. Deepak Chand of the Department of Energy provided a run-down of upcoming projects for which the department is looking for private sector involvement and innovation. He also highlighted some of the learnings that the department has experienced with existing / ongoing projects. These include the collection of funds from communities and the issue of ownership and operation by the communities. Specifically, the Buca Hydro Power Project, that was built with the assistance of the Turkish Government, was highlighted for its potential to be upgraded for distribution of power to other nearby villages.

There then followed 3 elevator presentation pitches by Private Sector companies operating in Fiji to provide an insight into their capabilities and experiences and to outline the projects they are currently working and identify the sort of challenges they face and where they need assistance from public sector actors and organisations like PFAN.

- Mr. Philip van der Riet of **Hydro Taveuni**. Hydro Taveuni is the Fijian subsidiary of an Australian company, Hydro Development Pte Ltd. It is developing 2 small hydro projects with capacity totalling approximately 8000 kilowatts. Its target market includes Taveuni and Vanua Levu. The total investment is around US\$25 million including the construction of a submarine power cable from Taveuni to Vanua Levu. The project intends to serve at least 10,000 Fijians, saving annually 40,000 tonnes of CO₂. The conceptual and feasibility studies have been completed. The project will proceed if the company is able to secure PPA and the EIA approval from relevant authorities including the provision of relevant land leases.

- Mr. Amlash Din presented the activities **Powerlite (Fiji) Ltd** as an energy services and contracting company for the provision of engineering services and emphasized the servicing of products provided to clients. The company provides EPC solutions to power projects, the telecommunication industry and construction industry.
- Micheal Valentine of **MV Solar** presented a range of tailor made mini-grid and nano-grid energy solutions for remote island locations, emphasising over 30 years of experience in this space. One of the challenges identified is the proliferation of small incompatible systems which do not lend themselves to interconnection. He emphasised the need to plan within a clear framework which provides for interconnectivity and integration for both bigger and smaller systems in remote areas and the importance of training and capacity building on technology solutions, services and financing.

After the private sector pitches Mr. Peter Storey **PFAN** provided a brief overview of PFAN’s services and strategies for supporting business and key stake holders in the energy access sector in Fiji. PFAN provides project development and preparation support to clean energy and climate projects helping them move from pre-feasibility to financial close by working on business plans, financial models and identifying and facilitating sources of investment and finance. As an illustration of this Mr. Afnan Hannan, CEO of **Okra**, an Australian based energy access and technology company, presented energy access initiatives that are now being implemented in the Philippines, Cambodia and Indonesia thanks to funding raised with PFAN support.

Mr. Storey also elaborated on PFAN’s proposals to support the FREF’s Business Model for its 3rd phase rollout using its Outer Island Project approach / concept. Through this process, PFAN envisages engaging the private sector, which would also need to contribute its own equity / finance, to bid for subsidies, using a DESCO structure to own and operate assets and ensure long term sustainability. This approach could be implemented together with FREF to accelerate implementation of electrification of the remaining 5% (“last mile”) and improve service quality for many remote island communities.

Unfortunately, due to some arising technical issues during the meeting and to overruns there was no time for the planned question and answer session. In this connection PFAN undertook to revert to the submitted questions on the Q&A in written form after the meeting. In closing the meeting, Ms. Eva Kelly thanked everyone and outlined the issues raised during the webinar. She briefly reiterated PFAN’s services to private companies and other stakeholders in the area of “Project Development” and “Investment Facilitation” and summarised the Tipping Point Technical Assistance Facility, which is a small technical fund that can be deployed to assist companies push mature projects to the next level. PFAN also committed to following up with the private sector companies, FREF and FDB in separate bi-lateral meetings and to update all stakeholders on progress towards energy access objectives again in due course.

Thank you to our donors

