

**The Private Financing Advisory Network (PFAN)
in cooperation with
The Pacific Centre for Renewable Energy & Energy Efficiency (PCREEE)
&
The Fiji Renewable Energy Fund (FREF)**

**Energy Access & Private Financing Round Table for Fiji
Outline & Objectives**

The Private Financing Advisory Network (PFAN) is a global network, initiated in 2006 by the UNFCCC and the Climate Technology Initiative to bridge the gap between entrepreneurs and private sector investors. With our global mission to mobilize private investment for climate change adaptation and mitigation in support of the Paris Agreement on Climate Change and the Sustainable Development Goals, we continue to be driven by our determination to assist promising entrepreneurs to succeed. We achieve this mandate by:

- a. providing free technical assistance and business coaching on project development and investment facilitation to projects and entrepreneurs, increasing their chances of attracting investment; and
- b. working closely with investors through our network to reduce risk and increase the flow of information on investor ready projects and businesses

Since 2017 PFAN is hosted by the United Nations Industrial Development Organization (UNIDO) and the Renewable Energy and Energy Efficiency Partnership (REEEP) and is based in Vienna. To date, PFAN advisors have coached more than 750 projects, from which 127 raised a total of US \$1.7 billion of investment leading to the installation of ca 1 GW of clean generation capacity and contributing to over 4 million tonnes of CO₂ equivalent reduction on an annual basis. PFAN continues to scale up its activities and operations and to reach more project developers and businesses; we accept applications from 122 countries in Asia, Central America and the Caribbean, Eastern Europe and Central Asia, Sub-Saharan Africa, and now also the Pacific.

After an extensive period of market scoping PFAN has identified 3 possible focus areas of intervention for its activities in the Pacific region:

- **Facilitation of Energy Access through Distributed Renewable Energy (DRE) and Stand-Alone Systems:** motivating and supporting more private sector involvement in generation and distribution to help address outstanding energy access and remote electrification issues, especially in outer island locations and to support the transition away from diesel powered grids;
- **Origination and Development of Pipeline for Investors:** working in close cooperation with development partners active in the region, PFAN will help identify and develop tailor-made deal flow for institutions, which do not have the necessary origination and project preparation capabilities and resources to fully develop bankable transactions from early stage enquiries and opportunities.

- This activity envisages to lead to a dedicated **Pacific Investor Forum for Climate and Clean Energy Financing** to be organized in close coordination and cooperation with other programs and activities in the region.
- **Development of an Energy Asset Company Model:** this is a medium-term opportunity, which involves aggregation of existing (generation) assets in a special purpose vehicle, financed by the issue of a new set of securities backed by the assets and the cash flows they generate. This will enable existing IPPs to exit their investments and contemplate new deals, and will provide a buyer for future IPP assets, thereby creating a secondary market and increased liquidity in the region. PFAN's role would be primarily in sourcing the assets for this structure and in facilitating the transaction; Investment banks and advisors would take care of the structuring and distribution work.

Against this strategic backdrop, PFAN has recently recruited a Country Coordinator for Fiji and through this local market presence endeavours to work with stakeholders in Fiji and throughout the Pacific region. Further coordinators will be recruited in due course.

The progress of rural electrification in Fiji has been quite successful to date (just 5% of the population lacks access to electricity) and we commend local stakeholders for this achievement. On the other hand, we see a role to play in supporting the commitment that Fiji has made to reach 100% electrification within the next years. In assessing the situation, PFAN recognizes that this "last mile" will need to be carefully thought out: it will require innovative technical and financial solutions to be feasible at acceptable costs. PFAN believes that our approach and unique expertise provided by our network of advisors, investor relations and experience of what works and what doesn't can be helpful in devising feasible and sustainable, "win – win" energy access solutions for Fiji's challenging last mile demographics, even in these turbulent times.

To launch this process, PFAN is now in the process of organising two strategy meetings in the form of online webinars / discussion forums to engage local stakeholders, share experiences, address challenges and identify market gaps, synergies and opportunities for cooperation:

- the first meeting is targeted at Development Partners in Fiji and will broadly look to engage with such partners with a view to better understanding who is doing what, presenting PFAN services and support and how we might address some of the gaps and identifying synergies and complementarities and looking for potential cooperation / project opportunities. In particular, the meeting will seek to identify how private sector approaches may be harnessed to support the work of the Fiji Renewable Energy Fund and address the electrification challenge in Fiji and to look for opportunities for private sector players. Other clean energy and climate change issues may also be addressed, including specifically e-transport.
- the second webinar will target the private sector and will look to highlight, bring forward and address issues and opportunities arising out of the first meeting. In particular, project developers and entrepreneurs will be invited to participate as potential candidates for PFAN support, with a view to informing them about PFAN services and eligibility criteria, identifying solutions and approaches to issues arising from the first meeting and encouraging submission of project proposals to PFAN for support.

There will be some cross pollination across the two events, thus we envisage private sector input in the Development Partners Meeting, as well as development partner representation in the Private Sector Meeting.

These meetings are being organised in cooperation with the Pacific Centre for Renewable Energy & Energy Efficiency (PCREEE) and the Fiji Renewable Energy Fund (FREF).

PCREEE was established by the Pacific Ministers of Energy and Transport as the regional SE4ALL center of excellence operating under the umbrella of the Framework for Action on Energy Security in the Pacific (FAESP). Through regional methodologies and tools, the center assists PICTs to address existing barriers and strengthen drivers for sustainable energy markets, industries and innovation. PCREEE is co-hosted by the Pacific Community (SPC) and the Government of Tonga. The centre represents an innovative fusion of regional and international efforts and capabilities. Its design leverages a network of intra and extra regional partnerships, serving as a “hub” for knowledge and technical expertise on matters related to sustainable energy project development and implementation.

Inspired by Fiji's Presidency of COP23, the Fijian Government, with the support of the Leonardo DiCaprio Foundation, will bring renewable energy to eligible rural communities across the country through the Fiji Rural Electrification Fund (**FREF**). FREF is a public-private partnership with Sunergise (Fiji) Limited, the Fiji Locally Managed Marine Area Network (FLMMA) and the Fiji Electricity Authority (FEA). The Fund will bring affordable solar power and battery storage to communities with no electricity or that rely on pollution-emitting diesel generators.

Attendance at both meetings will be by invitation only. The tentative dates for the webinars have been set for 6th August for the Development Partner Meeting and 14th October for the Private Sector Meeting, with two and a half hours planned for each event. Both will be held from 10.00 – 12.30 Fiji time on the respective dates. Future meetings and events are envisaged to address other aspects of PFAN's work including specifically in the area of climate change adaptation.

We look forward to your participation!