Energy+
Private Sector Consultation
Nairobi, Kenya
March 5-6, 2012

Executive Summary

On behalf of the Energy+ initiative, Garten Rothkopf organized a private sector consultation in Nairobi, Kenya on March 5, 2012. The Nairobi consultation, the second of a global series, which started in Washington, DC in November 2011 and will continue on to other key regions and markets, included more than fifty participants from leading SMEs, development firms and financial services providers working in Kenya, as well as East Africa more broadly. Participants contributed to a lively discussion of the obstacles to and opportunities for scaling up the use of renewables and increasing energy access. Wireless polling devices were used throughout the day to gauge their opinions on various topics pertaining to investment and project development opportunities. The first session of the private sector consultation focused on success stories and challenges of investing in Kenya, the second session identified the most attractive conditions and incentives for investment and effective financing models, and the final session was an opportunity for participants to offer suggestions for the ways in which Energy+ could unleash private sector activity. There was a broad range of incentives discussed, however, a few were identified as being critical, including providing access to information, early stage project development support, and encouraging a stable, predictable policy environment and a supportive regulatory regime.

The next day, a private and public sector panel discussion was hosted in partnership with the Climate Investment Fund's Program for Scaling-Up Renewable Energy in Low Income Countries Program (SREP). There were six panelists, including government officials from Kenya, Nepal, and Ethiopia, as well as three private sector panelists with extensive and diverse experience in renewable energy development and financing. This session focused primarily on two topics: strategies for bridging the engagement gap between the private and public sector and the best use of Energy+ funds. Private sector participants discussed the need to streamline complex regulatory processes and recommended the creation of a one-stop shop to guide investors and project developers. Public sector participants highlighted the difficulty of determining whom to engage with within the private sector as well as the challenges of working with limited resources.

Based on the challenges identified and recommendations proposed during the meetings in Nairobi, it is apparent that there is an important role for Energy+ to play in bridging the gap in understanding between the public and private sector and in addressing some of the barriers preventing private sector capital from being invested to meet the challenge of developing renewable energy at scale.

Session 1: Success Stories and Challenges

Opening Remarks

Ambassador Ole Andreas Lindeman of Norway started the morning with a presentation that introduced the objectives of Energy+: to increase energy access and decrease carbon emissions in developing countries. He noted that the energy sector thrives in countries where the government has made a commitment to an active private sector that is driving development to scale. Amb. Lindeman announced that the Government of Norway has committed $300 million USD to clean energy interventions, including Energy+, for the fiscal year 2012, with the expectation that these funds will increase in the years to come and be joined by funding from other partners. Official Development Assistance (ODA) will never suffice; the main contribution will have to come from commercial investments and through the mobilization of the private sector. Paving the way forward on public-private financing models for RE/EE is at the heart of the Energy+ consultations with the private sector and will drive Energy+ country actions. With respect to Kenya, Energy+ is currently negotiating a letter of intent with the Government, in hopes of commencing activities in the near term. After recognizing a range of market constraints and regulatory challenges faced by investors and developers of renewables in Kenya and other developing countries, Amb. Lindeman emphasized that Energy+ will not directly finance projects, but will instead deploy funding through results-based financing. This financing mechanism is intended to incentivize countries to develop national energy strategies, feed-in tariffs, CDM, credit platforms and other policy and regulatory tools to promote the use of renewables to increase energy access.

Critical Barriers

Participants identified several of the biggest challenges faced by businesses and investors seeking to achieve scale in the sector. These included high early-stage project development costs, the absence of standardized PPAs and other streamlined processes, and a lack of management and technical expertise among small-scale entrepreneurs. Eddie Njoroge of state-owned KenGen, the largest power producer in Kenya, remarked that while there were many good ideas, few met his investment criteria. Patrik Huber, Regional Manager for responsAbility, echoed this point that while there were many good ideas, few met the investment criteria of diligent institutional investors. He noted that he had reviewed 100 projects, but had not invested in any of them because they did not meet his standards in terms of proven track record, stable cash flows and guarantees. Michael Musau, CEO of Emerging Africa Capital, made a similar observation, noting that of the 25 project applications he had received since last year, the only two projects he had funded were able to demonstrate "project sustainability and a viable bottom line." He argued that more technical support and a better institutional framework were needed to help project developers achieve profitability. As Charlotte Ward, Program Manager of GSMA Development Fund, aptly summed up, "There is a need to try to blend investors with donors—donors who would provide grants for technical assistance and feasibility studies and investors who could provide R&D and long term financing."

"There is a need to try to blend investors with donors—donors who would provide grants for TA and feasibility studies and investors who could provide R&D and long term financing."
- Charlotte Ward, Program Manager of GSMA Development Fund

- **Lack of Access to Capital**: Many project developers identified access to capital at the appropriate terms and costs as a significant obstacle for start-ups. Due to the nascent stage of

the renewables market in Kenya, local banks lack the technical capacity to understand and appraise projects and are therefore unwilling to shoulder the risks. As Kwame Parker of Stanbic Bank pointed out, "for financing over a period of 15 years, you have to go to the usual Development Finance Institution (DFI) suspects because local financial institutions do not have the dollar liquidity to make such long-term loans." Several participants cited successful appeals to international finance institutions for funding – but often on unfavorable terms. Carlo Van Wageningen, Chairman of the Lake Turkana Wind Power Project, expanded on these issues by noting that although there have been no defaults on IPP payments by the Kenyan off-taker (Kenya Power), "the DFIs and foreign players have not upgraded their ratings…they are still giving the rating of 14 years back. They ask for a six month stand-by letter of credit from Kenya Power. You can do that for a smaller project, but for a 300 MW project this represents a LC of some €54 million, as the monthly bill will be €8-9 million a month."

"Although there have been no defaults on IPP payments by the Kenyan off-taker (Kenya Power), the DFIs and foreign players have not upgraded their ratings…they are still giving the rating of 14 years back."
- Carlo Van Wageningen, Chairman, Lake Turkana Wind Power Project

- **High Early-stage Project Development Costs**: Participants noted that many renewables projects in Kenya are not being undertaken by the big banks, but rather by small entrepreneurs. For small entrepreneurs, the variety of pre-project investment costs can be significant. As Joseph Nganga, CEO of Renewable Energy Ventures, noted, "whereas banks are able to raise the funds relatively easily, the local entrepreneur is not able to raise funds. He has to pay for legal fees and for environmental assessments, which increase pre-investment costs." Pascal Habay from the Kenya Association of Manufacturers agreed with Mr. Nganga by stating that, "the biggest hurdle is not the policy, but the early-stage capital."

- **Lack of Local Management and Technical Expertise**: Given the nascent state of the Kenyan renewables market, the lack of technical expertise was a barrier identified by both Kwame Parker and Michael Musau. Both investors noted that the absence of local technical capacity poses a challenge to the execution of studies that are critical to informing investors. Participants also cited the critical need for management expertise, particularly among small-scale developers, due to the challenges associated with acquiring financing, navigating regulatory structures, and bringing projects to scale. Mr. Nganga cited an additional challenge associated with small-scale renewables—namely, the difficulty of justifying the costs of international expertise necessary to build capacity for projects that generate marginal revenue.

- **Lack of Standardized PPAs**: Project developers pointed out the lack of standardized PPAs in Kenya which are a critical component of locking in a long-term purchaser of power compatible with the long-term structure of most energy investments. Carlo Van Wageningen noted that, "when DFIs ask for changes in [an] agreed and signed PPA, this can put the project at risk, totally disregarding the private investors who risk their development cost which amounts to approx. 3% of total project cost."

Key Components of Success

Participants also discussed a number of factors that enabled them to overcome the aforementioned

"The political and the policy environment matter a lot because if you want to unlock money, you need to know that the investment you make will pay back in 20 years."
- Patrik Huber, Regional Manger Africa, responsAbility

barriers and implement successful projects -- most notably securing a source of long-term financing, local partnerships and robust government support. A stable and predictable policy environment was deemed critical to success, although, as noted by many, this element is just falling into place.

- **Stable and Predictable Policy Environment:** A stable and predictable policy environment was cited as critical. As Huber noted, "the political and the policy environment matter a lot because if you want to unlock money, you need to know that the investment you make will pay back in 20 years."
- **Source of Long-term Financing**: Most successful projects were able to secure a source of long-term financing, but they had to go abroad to do so – either to international investors or DFIs. As Carlo Van Wageningen pointed out, access to local sources of finance in the Kenyan market proved impossible for the Lake Turkana wind project, but he was able to secure long-term financing in international markets, where investments in wind were better understood.
- **Local Partnerships**: Participants noted that one of the key attributes of successful projects was that they leveraged local partnerships. Local partners, brought on in the early stage of project development, were seen as critical to navigating the complex licensing and permitting procedures and understanding the local market. Partners also added an element of credibility to projects as developers sought access to funding.
- **Robust Government Support**: Various aspects of government support, such as the provision of guarantees, contributions to early stage financing, and the development of supporting infrastructure and policies around particular renewables were identified as factors contributing to project success. For example, participants pointed to the Kenyan government's investments in the Geothermal Development Company as paving the way for some of the biggest renewables projects in Kenya. In assessing smaller projects, Patrik Huber mentioned the desire, in an ideal world, to invest "in projects that are guaranteed by a solvent and stable government."

Session 2: Direct and Indirect Incentives

Opening Remarks

Following the first session, featured speakers Gathu Kirubi, CEO, Kenya, SunTransfer, Kenya; Matt Woods, Founder and Operations Director, Carbon Africa Limited; Yaron Cohen, Director, Mareco Ltd.; Chris Wilson, Owner, Biogas Power Holdings; and Walter Lamberson, Partner, Open Capital Advisors opened the discussion by outlining the direct and indirect incentives and conditions for investment that are essential for making a market attractive to private investors. The participants identified four broad categories of incentives: access to information, early stage project support, streamlining of power purchase agreements and the removal of market distortions. In a separate, more narrowly focused category of support, participants noted the unique challenges of off-grid renewables versus on-grid renewables, noting that incentives to catalyze greater investment in the former will have to overcome challenges of scalability and lack of management expertise.

Access to Information

Participants stressed the critical importance of access to information for investing or project planning, including access to resource maps, assessments of market demand and plans for grid expansion. Yaron Cohen suggested that funding be allocated to a renewable energy development agency to map renewable resources; this agency would then make information available to project

developers and investors. Several participants mentioned that the Government of Kenya has a wind resource mapping study, but has not made it available. Given the expense of conducting these studies, sharing this information would save project developers significant costs and enable investors to allocate capital more efficiently. One small-scale rural energy provider proposed financing market demand assessments as well. Participants stressed the need for more information on the direction of policy and energy planning, reiterating a point that was made in Session 1. Investors noted that if Kenya developed a long-term plan that identified the types of energy that would be available, and at what cost, it would be clearer and easier to negotiate financial arrangements. Khilna Dodhia, CEO of Kenergy Renewables, observed that in Kenya, "the grid is expanding at a really fast rate at the moment, but people are not sure if it is going to be built to integrate and adapt to renewables in the future." Participants suggested a role for Energy+ in working with the Kenyan national government to help clarify its plans and share that information with project developers.

"In Kenya, the grid is expanding at a really fast rate at the moment, but people are not sure if it is going to be built to integrate and adapt to renewables in the future."
- Khilna Dodhia, CEO, Kenergy Renewables

Early-Stage Project Development Funding

As in the meeting in Washington, there was tremendous support for funding to be allocated to feasibility studies that would enable investors to properly evaluate the potential risks and revenues associated with renewables investments, particularly small-scale projects. The importance of conducting studies prior to introducing renewables in a new market was highlighted by Teddy Ongamo of Camco, who cited that in his work developing ESCOs to provide biomass energy for tea companies, "the companies want to know if you've done it elsewhere…they don't want to invest in a risky energy that they don't know works or guarantees certain returns-- even if the alternatives are more expensive." Yaron Cohen suggested a guarantee be provided "against the negative results of a feasibility study so that the money can be recycled…supporting, guaranteeing and protecting the people willing to take that risk." There were several other interesting models for funding feasibility studies proposed by participants. Kwame Parker shared one idea that involved channeling technical assistance funds through financial institutions that understand which projects to target from a "bankability" perspective and can ensure that funding is "spent better and more effectively. Jenny Fletcher of African Solar Designs agreed that "this model makes sense", and David Rothkopf added to this point, noting that funding studies through banks, rather than NGOs, would allow private capital to be leveraged more easily. Comparative sector studies were also highlighted as being useful, with participants noting that studies that were able to show returns by sector would allow investors to better understand the unique risk profile of specific technologies and "make quicker decisions."

"The companies want to know if you've done it elsewhere…they don't want to invest in a risky energy that they don't know works or guarantees certain returns-- even if the alternatives are more expensive."
- Teddy Ongamo, Business Development Officer, Camco

Standardized Contracts and Streamlined Processes

Reiterating points made in Session 1 and in the Washington consultation, private sector participants noted the critical need for streamlining stable, long-term power purchase agreements (PPAs) in order to reduce delays and transaction costs. According to Kwame Parker, there are "details in [the] project

development process that can slow the process of getting to the finish line." Mr. Parker commented on the many challenges associated with the administrative proceedings for PPAs and related documentation, such as the need to negotiate a government letter of support as part of the security package for the current crop of large power projects that Kenya is contemplating – the specifics of which can be adjusted overnight by government actors, disrupting agreed upon terms, and compromising transaction bankability. Participants also agreed that the details in a PPA can have a great impact, and that developers spend much of their time negotiating the poorly structured requirements for a given project, such as a call for investment in a transformer that changes the economics of the entire plan. With regard to PPAs, there was a general consensus that the government has the best of intentions, but lacks the capacity and speed to make the necessary decisions.

Removal of Subsidies and Import Tariffs

Participants stressed the importance of ensuring a level playing field for renewables, free of subsidies and import tariffs, in order to allow renewables to compete. Big power producers and project developers pointed to the market distortions produced by subsidies. For example, Eddie Njoroge argued that subsidies "benefit only this 20% (of the population in Kenya with access to modern energy) and remove incentives for people to produce energy as cheaply as possible." Some smaller project developers claimed that even subsidies for renewable energy and energy access were not necessary. As Willem Nolens of SolarNow, a supplier of micro solar home systems to off-grid houses, stated, "the price sensitivity of our customers is close to nil; we increased the price 20% overnight due to currency developments and there was hardly any effect on demand…this proved that access to solar energy is more important than pricing. Hence I challenge the need for subsidies…those [smaller] companies don't need grants, they need good management capacity and funding, but not subsidies." Jenny Fletcher agreed, summing up the idea that sound business models just need to be developed to make small-scale renewables affordable to consumers. She notes, "in projects like ESCOs and small mini-grids…surely they can be made economical by people who are off the grid having to pay for the power – if there were anyone willing to finance those pilot projects." Another area of market distortions that participants expressed concern over was high import tariffs, which disadvantage renewables companies by making equipment more expensive. As Samwel Kinoti of Skylink Innovations shared, "the government needs to reduce taxes on this equipment to make the energy more affordable to more people…waiving these equipment taxes would be an incentive towards making energy affordable to more people in rural communities."

"Subsidies benefit only this 20% [of the population in Kenya with access to modern energy] and remove incentives for people to produce energy as cheaply as possible."
- Eddie Njoroge, Managing Director & CEO, KenGen

The Distinct Needs of Off-grid Projects: Getting to Scale, Sourcing Good Managers and Securing Carbon Credit Investments

The final set of incentives highlighted by participants focused on the distinct challenges associated with off-grid renewables projects: getting dispersed and remote rural projects to scale, attracting a good management team and securing carbon credit investments for small distributed projects. Proposed incentives to

"In Africa, electricity access does not equal energy access…that conceptual distinction has enormous implications for policy."
- Gathu Kirubi, CEO, Kenya, SunTransfer

mitigate these problems included bundling projects to achieve scale, scaling management and developing a guaranteed off-take market for carbon credits. Gathu Kirubi from SunTransfer, highlighted the point that, "electricity access does not equal energy access," noting that in Africa, "that conceptual distinction has enormous implications for policy on energy access." He also emphasized the difficulty of developing business models for distribution in the context of downstream projects and products, such as solar home systems and cook stoves. In responding to David Rothkopf's proposed solution of marrying projects together and developing a single system of distribution to create economies of scale among the smaller projects, Kirubi agreed that artificially engineering scale would be helpful though he remained dubious about the "degree of high level perspective necessary to synthesize and bundle these projects…and it would take a lot of time too, especially when you're talking about remote places."

Another set of concerns around off-grid projects was the inability to attract top quality management. There was consensus surrounding the idea that local developers have innovative ideas and good plans but, as one participant noted, "there is a lack of good management teams to execute projects, and this has nothing to do with regulatory issues…for us this is an inherent problem. If you have a good management team that meets international standards and has good local networks they target bigger projects…for small and micro-hydro projects that I work on, there are rarely good teams to back." International expertise, it was noted, is available only at an extremely high cost. As Carlo Van Wageningen added, small, local project developers with good ideas often lack the project finance experience to go look for the expertise to support their ideas, and until their projects reach a certain scale, find it difficult to justify the costs of bringing in external experts. On this point, a participant proposed the solution of aggregating and sharing experts across projects, structuring such an arrangement to "house experts with investors, so that once the technical capacity is built, the investor has the ability to put in the money." Management scaling, centralized management structures, technical assistance to scale management training for teams, and other solutions to take limited managerial resources and maximize benefits across an array of projects, were ideas that participants felt would be particularly impactful in the context of developing off-grid projects in Kenya.

One final incentive mentioned for certain types of off-grid technologies was the idea of an off take market for carbon credits. In line with Energy+ criteria to finance outcomes, rather than early stage inputs, Tom Morton of ClimateCare noted increasing activity in the carbon market in Kenya, where Vestergaard Frandsen's project in western Kenya just issued 1.3 million Gold Standard carbon credits from installing improved water filters in 877,000 households. Such projects, Morton argued, "are well suited to carbon finance (an improved stove costing $10 can produce $30 worth of carbon credits in 3 years, for example). Vestergaard was able to make its investment due to a carbon sale agreement signed with an investment bank. Recent volatility in the carbon market has made such agreements much more challenging." Morton proposed that Energy+ consider purchasing emissions reductions from such programs, which are paid on verified outcomes. This level of guaranteed sale would encourage the private sector to invest in what are perceived as risky projects.

"Vestergaard was able to make their investment [in improved water filters] due to a carbon sale agreement signed with an investment bank...Energy+ should consider purchasing emissions reductions from such programs, which are paid on verified outcomes. "
- Tom Morton, Director, ClimateCare

Session 3: Role of Energy+

The final discussion session focused on how Energy+ can be most effective in unleashing private capital. Featured speakers Christian Wright, Regional Director East Africa, Aldwych International; James Kimisoi, VP of Community Development, Stima Systems; Stephen Mutimba, Managing Director, Africa Camco Advisory; Willem Nolens, Managing Director, SolarNow; and Jenny Fletcher, Director of African Solar Designs, offered opening remarks. These speakers and other participants tended to group recommendations for Energy+'s role in Kenya into the broad framework of input or output-based assistance.

Input-based Assistance

- Provide early stage project development resources, including funding for resource mapping, market data, feasibility studies, proof-of-concept studies, and better baseline studies.
- Develop tools to increase access to information, either through a registry or database that would increase the visibility of successful projects, and provide access to resource maps, assessments of market demand and information on national energy policy plans, including critical grid expansion plans.
- Build capacity through technical assistance in the following three areas: management capacity to develop and execute projects, regulatory capacity within national and subnational government institutions to provide a more stable environment for private sector investments, and technical capacity within banks and MFIs to conduct project appraisals or provide asset finance to rural off-grid consumers.
- Finance upfront capital costs of renewables infrastructure or infrastructure surrounding energy access projects such as roads, transmission lines, land, etc.
- Scale up successes – successful partnerships, financing and distribution models – rather than reinvent the wheel and/or invest in more pilot projects.

Output-based Assistance

- Advocate for a predictable regulatory environment with credible long-term arrangements for off-take agreements, feed-in tariffs, rules pertaining to the governmental support letter, and policies regarding the government's support for utilities and associated payment obligations.
- Streamline regulatory processes and standardize PPAs to reduce the uncertainties, delays and heavy costs associated with accessing development finance and conducting due diligence.
- Forward purchase carbon credits at a fixed rate, bearing one of the major risks that deters investors from smaller projects in which the relative value of credits to capital costs is high.
- Level the playing field by ensuring that VAT exemptions do not favor certain technologies, but rather, are available to everyone trying to provide affordable renewable energies.

Closing Remarks

Hans Olav Ibrekk, Policy Director, Energy+, Norwegian Ministry of

"Energy efficiency is the orphan of the energy agenda and future attention should be focused on this potential win—although the instruments used to achieve efficiency will vary greatly from those used to increase energy access."
- Hans Olav Ibrekk, Policy Director, Energy+, Norwegian Ministry of Foreign Affairs

Foreign Affairs, offered closing remarks, re-iterating the key concepts of Energy+ and praising the Government of Kenya for its demonstrated top-level leadership's commitment to increasing energy access. He highlighted several unique challenges for the Energy+ initiative going forward:

- **Energy+'s results-based financing, sectoral level performance approach versus the private sector's desire for project-based incentives and opportunities**: One of the greatest challenges for Energy+ is to determine whether and how results-based financing can be tailored to address the score of early stage, project-level needs identified by the private sector as critical to success.
- **Energy efficiency as the "orphan of the energy agenda"**: Hans Olav Ibrekk noted that energy efficiency was "barely mentioned," and that future attention must be focused on this "potential win" although the instruments used to achieve efficiency will vary greatly from those used to increase energy access.
- **Tension between laws in the books and enforcement**: The discrepancy between "what's in the books and what's actually being delivered" points to a gap in enforcement and a potential role for Energy+ in facilitating public-private partnerships so that good policies are able to deliver their intended outcomes.
- **Energy+'s role in relation to other players with similar objectives in Kenya**: One final challenge will be coordinating with other international and national institutions working within the same space and with similar mandates to ensure that Energy+ plays a unique and complementary role.

The event concluded with a thank you to the organizers of the discussion and an open invitation to all participants to continue this dialogue with the Energy+ organizers, in the hopes that this engagement will be beneficial to all those working in the sector in Kenya.

Public-Private Sector Panel Event

The day after the private sector consultation, a panel discussion gave the public and private sectors the opportunity to directly engage with one another. The three panelists representing the private sector were Yaron Cohen of Mereco Ltd., Gathu Kirubi of SunTransfer, and Jenny Fletcher of African Solar Designs. Representing the public sector were Raju Laudari, Manager of the Climate and Carbon Unit Alternative Energy Promotion Centre from the Ministry of Environment, Nepal, Eng. Rafeal Khazenzi, Director of Renewable Energy from the Ministry of Energy, Kenya, and Goyase Mengistie Abayneh, Director, Energy Studies and Development Directorate, Ministry of Water and Energy, Ethiopia. The lively discussion focused on the challenges both sides face in effectively engaging each other and the most appropriate priorities and channels for financing.

The Need for Better Coordination

While offering different perspectives on the key hurdles, both public and private sector panelists universally agreed on the critical need for better coordination. Both sets of participants noted that a key challenge to meaningfully engaging with one another was determining who to engage – be it the 11 different government offices that Jenny Fletcher said she must regularly coordinate with for a single project or the capacity and resources that Rapheal Khazenzi noted would be required to devote to the task of engaging a large and diverse private sector community. To address these issues, panelists made suggestions to:

- Streamline regulatory processes with a single point-of-access agency that is responsible for issuing permits, approvals and licenses or developing a mentor/guide program that helps private sector actors navigate the various government agencies at the local and national levels (cited as "the Rwanda model" by Jenny Fletcher).
- Target private sector interest groups and engage them early on in the development of new investment plans and policy developments. Disseminate information about available public funding opportunities and communicate the mechanisms through which these opportunities can be accessed. Arguably, these activities could be undertaken by a single-point-of-access agency such as the one described above.

Funding Priorities and Channels of Funding

Panelists also offered valuable perspectives on how Energy+ and SREP could be most effective, identifying the scale of projects and stage of project development in which funding might be most effectively leveraged, as well as the channels through which Energy+ and SREP could offer financing. There was a consensus among participants that governments and DFIs tend to favor large-scale projects, leaving smaller distributed and off-grid projects to struggle with access to financing with local banking sectors that lack the lines of credit and technical capacity to evaluate projects. To address this issue, participants suggested:

- Separating the technical appraisal from the financial appraisal process. Energy+ could contract external service providers such as industry associations, or establish technical assistance programs, to provide technical appraisals, leaving local banks to focus on financial appraisals (due diligence and credit checks).
- Developing programs to build the technical capacity of local banks, encouraging them to take on the risks of – and thereby benefit from – funding small-scale renewables projects.
- Assisting in the scaling up and implementation of successful loan products, such as the IFC and EBRD-backed bank loans in which local bank funds are complemented by IFC funds so that the risks are shared, or the AFD model of appraising and approving projects before sending them to local banks.

Conclusion

The Nairobi meetings were the second in an ongoing series of private sector consultations that will take place in Energy+ countries and other key markets, with the goal of informing both the Energy+ Partnership and broader public sector efforts being marshaled by the UN's International Year of Sustainable Energy for All. The first two meetings highlighted the critical importance of bridging the gap in understanding and communication that has, to date, been one of the most insurmountable barriers to coordinated and scaled action in energy access and low carbon development. The valuable insights gained during these consultations not only give the Energy+ Partnership a concrete platform of recommendations from which to launch its investments in clean energy, but also build key stakeholders in Energy+ countries and countries that represent substantial sources of financing. Understanding the different priorities and aligning the interests of these stakeholders is one way in which the Energy+ Partnership can help to mobilize country-level efforts to expand energy access, promote efficiency standards and policies, and unleash investment in renewables.

Facilitated by Garten Rothkopf and the Energy+ Technical Working Group