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Concept Note

Scaling up finance for clean energy transition in Africa – a multi-stakeholder approach to building a bankable project pipeline

Event Overview

Title	Scaling up finance for clean energy transition in Africa – a multi-stakeholder approach to building a bankable project pipeline
Type	Panel discussion
Host	UNDP Rome Centre for Climate Action and Energy Transition
Contact point	alba.le.cardinal@undp.org
Sector	Clean Energy, Climate Finance, Africa, Development Cooperation
Date	Saturday 9 December 2023
Time	19:15-20:30 (GMT+4)
Duration	1h15
Location	Dubai, Italian Pavilion, TBD

1. Introduction

1.1. Background and scope

While developed countries still fall short of their promise to allocate \$100bn annually in climate finance to developing countries, every year the UNFCCC COP is an opportunity for renewed commitments and more ambitious pledges to mobilise funds at scale. However, several challenges complicate the timely mobilisation of these resources for project implementation. The difficulty in identifying bankable projects that can attract concessional finance is one of them.

Lack of access to this type of financing is one of the main obstacles to the energy transition in developing countries. Indeed, renewable energy projects in these countries entail prohibitively high upfront capital costs that are essentially a reflection



of the high risks investors face. Improving the bankability of renewable energy projects is therefore being discussed by investors, donors and development practitioners, who recognise the pressing need to support the development of bankable project pipelines to unlock opportunities at scale.

In 2022, the Italian Ministry of Environment and Energy Security (IMEES) and UNDP - acting on the urgency of this issue - have decided to launch the Italy-UNDP Energy Partnership. The Italy-UNDP Energy Partnership focuses on the UN Sustainable Development Goal (SDG) 7 "Affordable and clean energy" as a key enabler for development, allowing to fight climate change and reach the goals of the Paris Agreement, while accelerating progress across multiple SDGs. The goal of the Italy-UNDP Energy Partnership is to identify country-level investment opportunities that can help reduce the current energy access gap and boost the energy transition in an initial group of 8 countries, namely Algeria, Nigeria, Kenya, Rwanda, Mozambique, Zambia, Eswatini and Comoros.

1.2. Objectives of the side event

The overall objective of the side event is to facilitate a focused and in-depth dialogue on the pivotal role of concessional finance in enabling and accelerating a clean and just energy transition in developing countries. The intent is to leverage strategic cooperation between UNDP and Italy on clean energy development. The specific objectives of the side event include:

- Analyze the current financing landscape for renewable energy in developing economies, including the identification of gaps, barriers, and opportunities that can be addressed to increase financing flows.
- Discuss the need to support the development of bankable project pipelines in the clean energy sector.
- Give an overview of the strategic cooperation between UNDP and the Italian Ministry for Environment and Energy Security in the field of energy and of the work plan of the Italy-UNDP Energy Partnership.

1.3. Expected Results

Given the side event's objectives and a clear need to engage a diverse range of stakeholders actively involved in energy-related initiatives and programmes, the event is structured around the following inter-related key outcomes:



- Unlock synergies between private and public sectors, along with development financial institutions, to facilitate the exchange of innovative ideas and unlock clean energy finance in developing economies.
- Identify relevant opportunities and good practices for developing clean energy project pipelines.
- Strengthen collaboration between UNDP, the Italian government, and development finance institutions regarding clean energy development.

1.4. Audience

The side event will explore the engagement of government institutions, development partners and non-governmental organizations in securing concessional finance for clean energy projects. A video conferencing service will be made available for participants who cannot attend in person to join the event virtually.

2. Programme

Format: panel discussion

Moderator: Cristina Altomare, Climate Finance Lead, UNDP Rome Centre for Climate Action and Energy Transition

Panelists:

- Agostino Inguscio, Director UNDP Rome Centre for Climate Action and Energy Transition and UNDP Representative for Italy
- Francesco Corvaro, Italian Special Envoy for Climate Change
- Antonella Baldino, Head of International Cooperation and Development Finance, Cassa Depositi e Prestiti
- Stefano Signore, Head of Unit Climate Change and Sustainable Energy; Nuclear Safety, Directorate-General for International Partnerships, European Commission
- Representative of Res4Africa (tbc)
- Representative of Kenya, partner country of the Italy-UNDP Energy Partnership
- Joseph Njuguna, UNDP Senior Energy Expert Kenya
- Mpho Mataboge, UNDP Senior Energy Expert Eswatini
- Duccio Maria Tenti, Coordinator Italy-UNDP Energy Partnership, UNDP Rome Centre for Climate Action and Energy Transition



Agenda:

Opening remarks
General introduction on the UNDP-Italy collaboration – Agostino Inguscio (UNDP) and Francesco Corvaro (Italian Government)
Topic I: Best practices on developing robust project pipelines for clean energy
How the Italian Climate Fund is fostering clean energy development in Africa – Antonella Baldino (Cassa Depositi e Prestiti)
The EU Global Gateway and its instruments (incl. The European Fund for Sustainable Development Plus EFSD+) – Stefano Signore (European Commission)
The role of the private sector in developing and implementing robust bankable projects – Res4Africa
Topic II: Catalysing Africa’s just energy transition through concessional finance
Unlocking resources for clean energy projects in Africa through the Italy-UNDP Energy Partnership – Duccio Maria Tenti (UNDP)
The role of concessional finance in addressing funding needs & tackling challenges to accelerate the flow of concessional finance – Joseph Njuguna and Mpho Mataboge (UNDP Experts on Financing the Energy Transition in Africa)
Facilitating strategic cooperation amongst actors in partner countries – partner country representative (Kenya)
Summary and next steps
Summary of key ideas and priorities that emerged during the event Call to action: possible proposals on how to advance the financing of the pre-identified energy projects Concluding remarks