



Greenmap
Renewables for all

visit us at energygreenmap.org



Unlock clean energy investments in Developing Countries through effective auction design & implementation

ACEF 2023

Andrea Bertello

Director, Country Engagement & Partnerships

Manila, June 13th, 2023

Content

- 1 About Greenmap
- 2 A short (true) story
- 3 The iTrust
- 4 References & Extras

1

About Greenmap



We independently support governments in developing and emerging economies to attract investments in renewables at scale and lower cost.

Focused on implementation.

We do it free of charge for the governments.

Donors and partners



CLIFFORD
CHANCE



PlanEitive



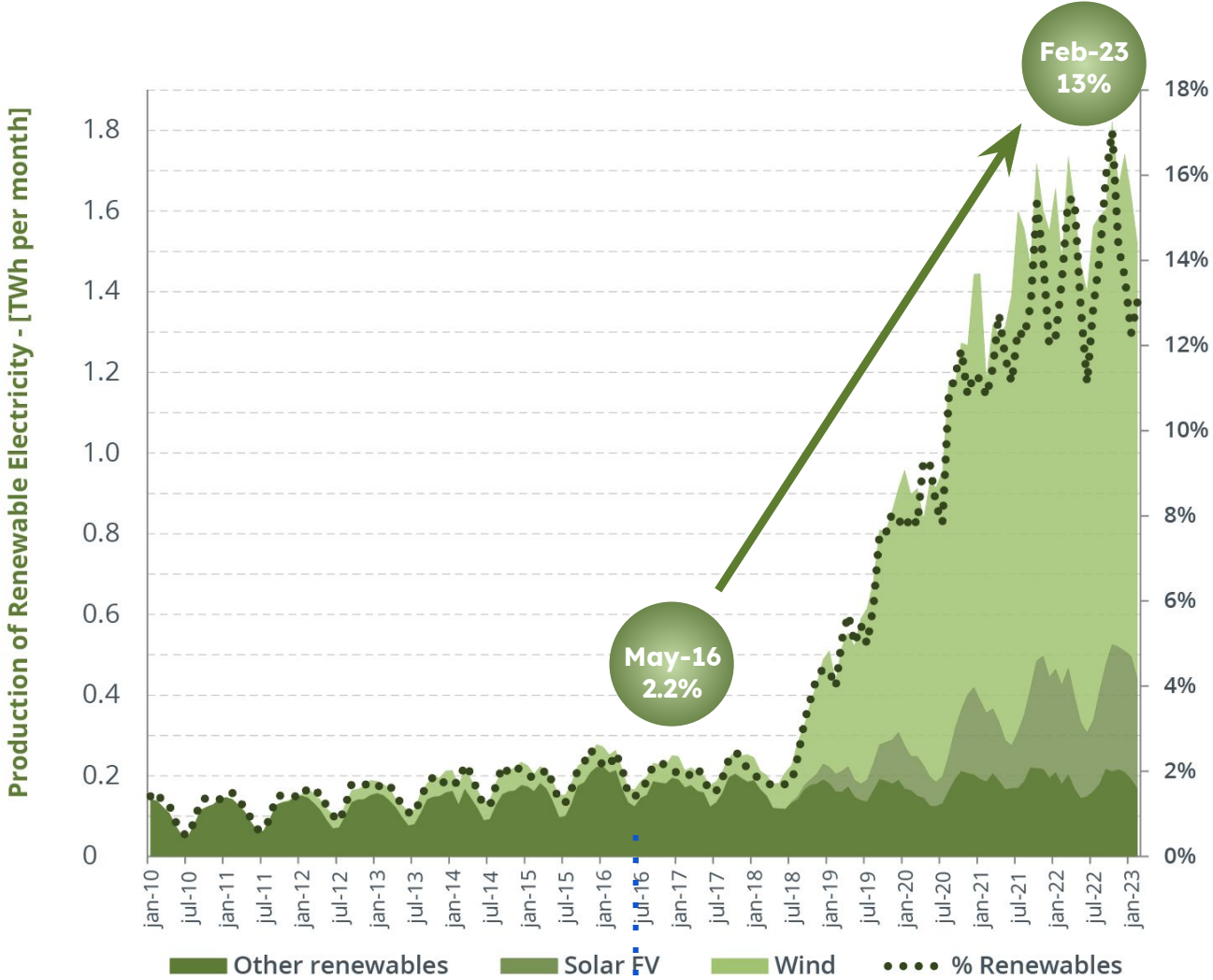
A short (true) story...

...of a developing country

- a net oil & gas importer
- with approx. US\$ 12 billion in annual energy imports and subsidies
- high inflation, economic and financial instability
- largest debtor to the IMF (ok...now you know. It's Argentina)
- strong oil & gas lobbies
- the 2nd largest shale gas and the 4th largest shale oil resource on the planet

that suddenly...

...unlocks renewable energy investments at scale



(2016) RenovAr design and R1 implementation
 R1 R2 R3
 R1.5 + C&I PPAs

32.2%
RE peak share
 (February 2023)

154 projects
+5 GW
~ US\$ 7bn private investments
10k jobs
 2 WTG plants
 3 wind tower plants
 2 PV tracker plants
~ US\$ 2 bn annual savings
 lower imports and tariffs



PHOTO: Crown Prince Frederik of Denmark visiting the first commissioned wind turbine manufactured by Vestas in Argentina



PHOTO: Altiplano & La Puna solar farms, RenovAr Programme, Argentina

...becoming the 3rd global market for Vestas* in 2019

* World largest wind turbine manufacturer



PHOTO: Jim Yong Kim, president of the World Bank Group visiting Argentina

“The renewable energy agenda in Argentina is the most interesting in the world at the moment”

Lizabeth Bronder
Director LAC, IFC
(Reuters, 2017)

“RenovAr is the way to go”

Jim Yong Kim
President of the World Bank Group (2017)



Massive long-term clean energy investments and cheaper electricity are possible in developing countries

if

- Competitive procurement processes are well designed and implemented
- Risks are properly assessed, allocated and mitigated
- Key stakeholders move from project based to programmatic approach

Governments are in charge

Annual private investments need to grow 3 folds

(between 2023 and 2030, according to IRENA's 1.5°C Scenario)



The iTrust *

International Guarantee Trust Fund for Renewable Energy

* iTrust is similar in principle to the solution implemented in Argentina (called FODER), structured by our team with the support of the World Bank as the ultimate guarantor

The iTrust

Background

- The International Guarantee Trust for Renewable Energy (iTrust) is an innovative guarantee package to cover offtaker liquidity risk and certain country-level risks affecting project bankability and market attractiveness
- Inspired by the successful case of the FODER trust (a key investment enabler within the RenovAr Programme in Argentina), and by the observed needs in several markets globally
- Designed as a channel for philanthropic, MDB/DFI and private lenders and as replicable and programmatic solution for governments (coupled with transparent auction schemes)
- Guarantees specifically designed to be embedded in RE procurement programmes
- Non-profit setup and scalable and ready-to-deploy approach
- Clifford Chance law firm is supporting Greenmap as legal advisors for the design phase.

The iTrust

Programme-based guarantees

1 Revolving Energy Payment Guarantee

Guaranteed Obligation: Monthly energy payments

Coverage: 3 to 12 months of revenues (revolving)

Tenor: Full life of the offtake agreement

Cost: Free to all awarded IPPs

Funding Sources: Donors and governments

2 Early Termination Payment Guarantee

Guaranteed Obligation: Upon occurrence of certain triggering events related to offtaker and/or country risks, payment of an early termination amount in case of offtaker or government default

Coverage: To be chosen by the bidder, up to the maximum termination amount

Tenor: To be chosen by the bidder, up to the tenor of the offtake agreement

Cost: Fixed and variable fees (cost reflective)

Funding Sources: Donors, MDBs, private and institutional investors

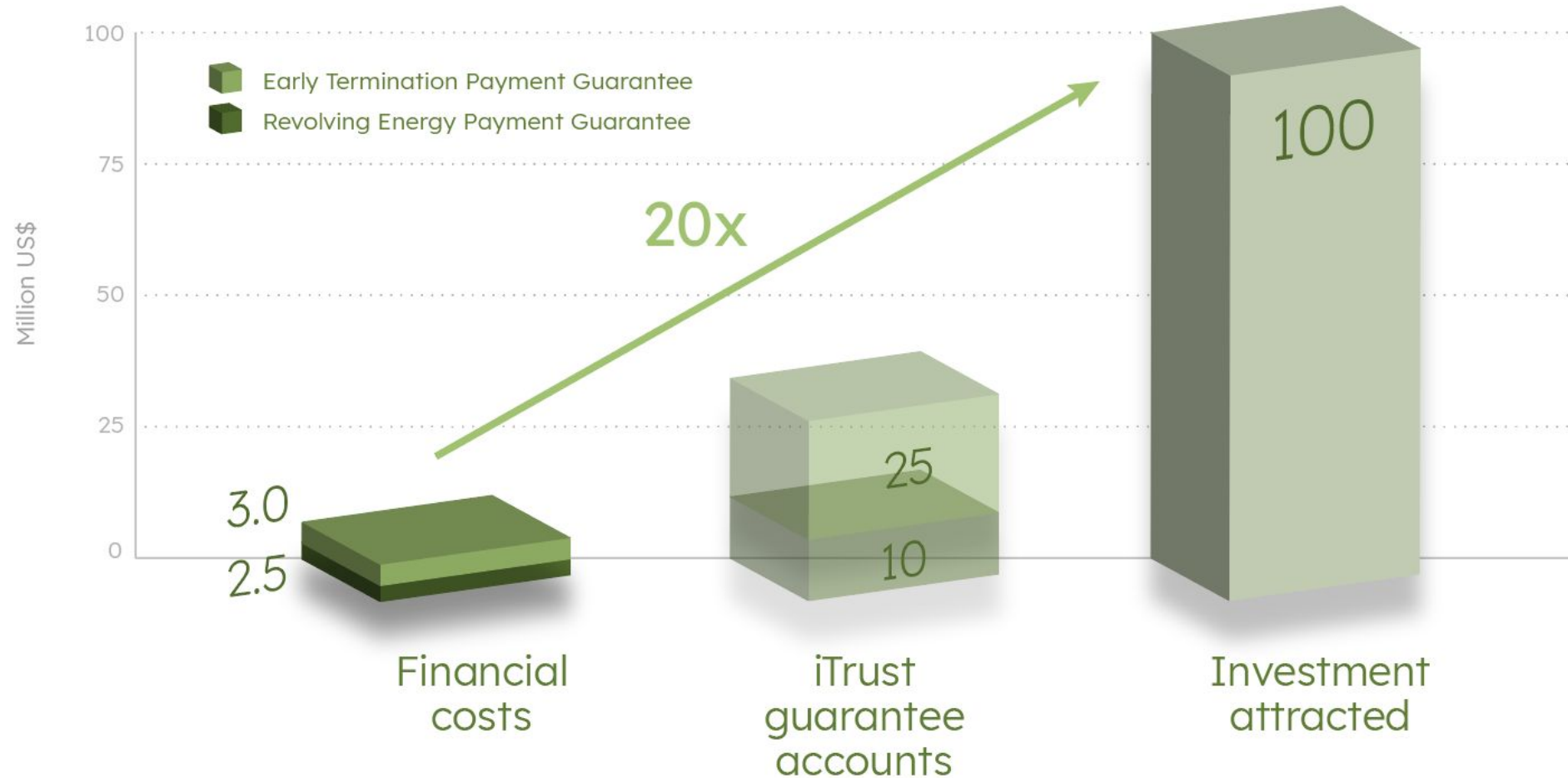
iTrust addresses typical limitations

Most most existing guarantee products are:

- not specifically designed for renewables;
- project-based rather than embedded in clean energy procurement programmes;
- not designed to be accounted as contingent liabilities (mostly weighting on public debt, on par with loans).

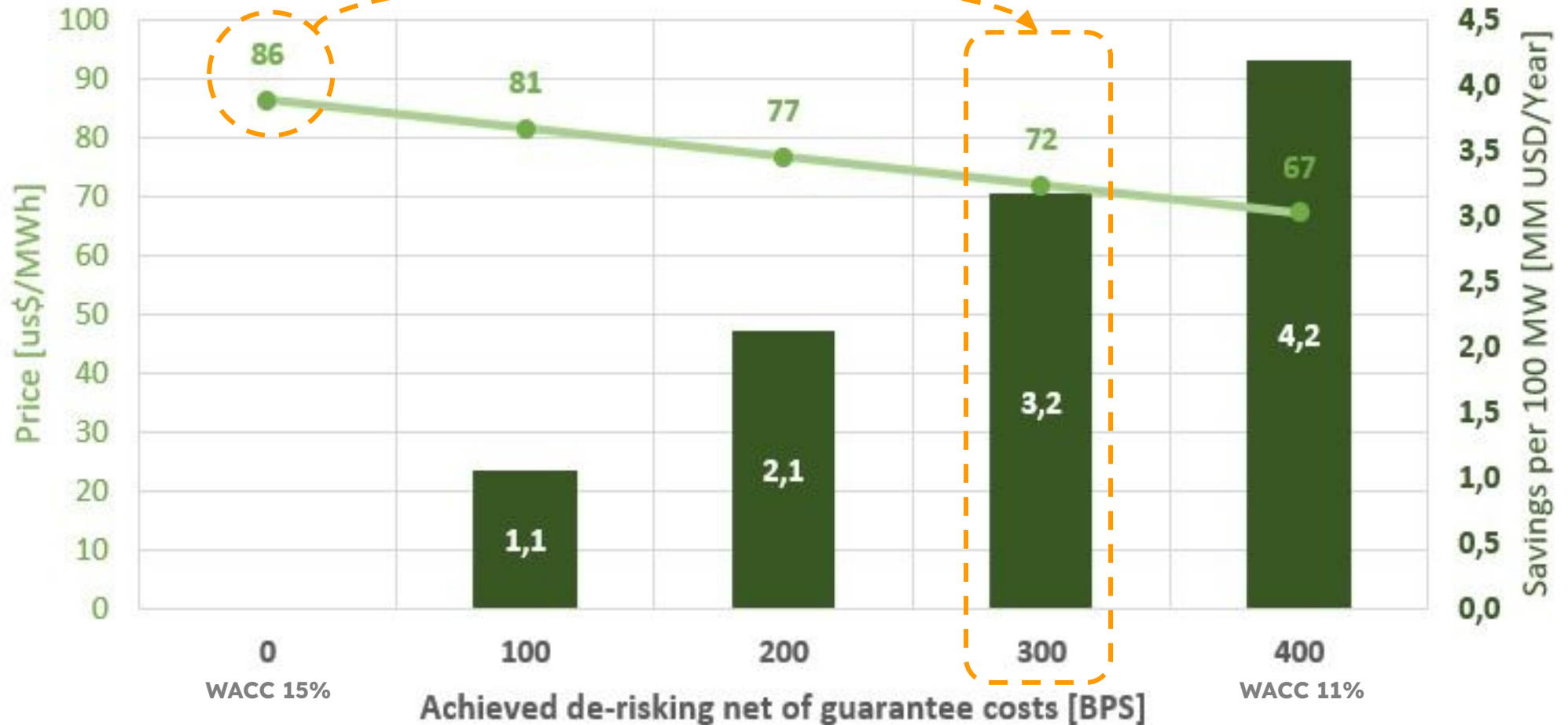
Leverage of iTrust guarantees

(Impact for every 100 MW of new capacity)



Cost reduction of iTrust guarantees

(expected impact on price and annual savings for each 100 MW of new capacity)



4

References & Extras

References & Extras

- For further information about our team's experience and track record please see:

<https://www.energygreenmap.org/renovar>

<https://case.hks.harvard.edu/untapped-potential-renewable-energy-in-argentina/>

<https://case.hks.harvard.edu/integrating-renewable-energy-in-argentina/>

- For further information about the iTrust please visit:

<https://www.energygreenmap.org/itrust>

- For further information about the AreA Platform please visit:

<https://www.energygreenmap.org/platform>

<https://infratech.gihub.org/infratech-case-studies/tech-solutions-address-challenges-in-infrastructure-procurement/>

GREENMAP ASBL

Avenue Louise 240, Boite 14, 1050, Brussels
BELGIUM

contact@energygreenmap.org

energygreenmap.org



Greenmap
Renewables for all

Thank you for your attention

PHOTO: Altiplano & La Puna solar farms, RenovAr Programme, Argentina