Investment Mobilization for Clean Energy in Pakistan

The Pakistan Private Sector Energy Project (PPSE)
Overview of Results to date

PFAN has supported over 1200 projects/businesses since 2006, from which more than 244 have raised over USD 3 billion in financing to date.

- **$3.0 BN**: Total investment leveraged by PFAN-supported projects
- **244**: Number of projects that raised financing
- **18%**: Success rate
- **1803 MW**: Clean energy generation capacity added
- **4.9 MT**: Annual CO2 emissions mitigated
PFAN Value Proposition
How PFAN Addresses the Missing Middle

Limited supply of investor-ready projects
- Oversupply of poorly structured projects
- Lack of financial & commercial skills
- Unrealistic expectations

The “Missing Middle”

Low investment levels
- Large supplies of financing
- Underdeveloped investment cultures and risk assessment
- Low familiarity with technologies & business model
- Limited number of successful exits in this space

PFAN advises low-carbon, climate resilient businesses in developing countries and matches projects to appropriate private financing.
How PFAN Works

- Coaching and investment facilitation provided at no cost to entrepreneurs
- Fixed fee for advisors + potential for success fee
- Supported by an extensive network of Investment and Network Partners
- Hosted by UNIDO and REEEP since 2016, initiated in 2006
- Unique and proven low overhead networking business model

- Funded by a Multi-Party Trust Fund supported by:
PFAN’s Service Offering

Project Origination
- Roadshows & Outreach
- Investment Potential Assessment (IPA)

Development Pipeline
- Business coaching / De-risking Bus. Model
- Preparation of Business Plan
- Investment Structure & Ask
- Preparation of Investment Pitch & Teaser
- Financial Structuring & Matchmaking
- Investment Forum Stream
- Supplementary Coaching

Investment Facilitation
- Valuation
- Investor Identification & Introductions
- Transaction Advisory
- Negotiation & Closing

Project Development Fund
- To address specific investor requirements
- Financial Advisory
- DD / CPs / Audit / Legals / Study Updates

PFAN Investor Outreach
- Investor database and active partnership management
- Investor roadshows
- 1-1 investor introductions
- Project referrals
- Origination and engineering of customised portfolios
- Build investor capacity
The Pakistan Private Sector Energy (PPSE) Project
An Overview

- Dedicated country programme in Pakistan funded by USAID.
- Duration: 4 years (Oct 2020 - Sep 2024).
- Dedicated country team in Islamabad.
- In addition to PFAN’s traditional services, it also includes:

  - Upstream activities (SME Incubator)
  - PFAN’s traditional services
  - Downstream activities (e.g., Private equity Fund)

- Linkages with other initiatives and government activities
PPSE – Priority Sectors & Technologies

**PRIORITY 1**
- Rural Electrification & Energy Access
- E-mobility
- B2B Captive & Distributed Generation
- Bioenergy Rural W2E (Biomass & Biogas for Agriculture)

**PRIORITY 2**
- Urban Waste Management and Renewable Energy (W2E)
- Recycling & Circular Economy Projects

**PRIORITY 3**
- Energy Efficiency
- Industry 4.0 – CE, Digital & Fintech Nexus

**PRIORITY 4**
- Solar/Wind/Biomass IPPs on an opportunistic basis

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PPSE Pipeline: An Overview

- **Projects Breakdown**
  - Solar, 14
  - Biomass, 4
  - Wind, 2
  - Biogas, 1
  - Energy Storage & Conservation, 1
  - Clean Transport, 12
  - Distributed & Off-grid generation, 1
  - Other, 1
  - Hydro, 2
  - Rural electrification and energy access, 1

- **Pipeline Current Total Investment Ask (M US$)**

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- **Total Projects**: 39
Thank you

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more information at www.pfan.net