Financing Early-stage Energy Technologies: Lessons Learned from Ly Son Island

Georgia Iordanescu, Senior Lead Specialist Clean Energy
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Challenge

➢ Technology development cycle risks:
  ➢ Research
  ➢ Demonstration
  ➢ Licensing

➢ Commercial development cycle risks:
  ➢ Transaction costs
  ➢ Market conditions

➢ Learning from investment milestones for:
  ➢ Utility-scale grid-connected
  ➢ Decentralized RE solutions
  ➢ Co-locating RE technologies

Bringing to market technically and commercially viable ocean technologies
INVEST: OVER THE LIFE OF THE PROJECT...

USAID INVEST is a flexible buy-in mechanism to address the challenges to work alongside the private sector.
Using catalytic donor funding to jumpstart Clean Energy investments

73% Capital Mobilized in:

- Solar
- Micro-hydro
- Biomass, biofuels
- Waste management
- Carbon pricing-taxes or emission trading
- Climate-smart agriculture
- Methane Emission Reduction

192.6 million IN PRIVATE CAPITAL MOBILIZED FOR CLIMATE ACTION

27 CLIMATE FINANCE ACTIVITIES IN OVER 25 COUNTRIES

- ADAPTATION
- SUSTAINABLE LANDSCAPES
- SUSTAINABLE LANDSCAPES + CLEAN ENERGY
- CLEAN ENERGY
- ADAPTATION + CLEAN ENERGY
Lessons Learned

➢ Funding early-development stages is critical to offset risks and help reduce transaction costs

➢ Filling information gaps on technology and market helps attract some investment

➢ Scaling technologies to investable opportunities needs policy, regulatory, legislative support
SHAPING A MORE LIVABLE WORLD.