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Unlocking affordable capital for local and emerging clean energy developers in Asia

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Landscape of energy sector financing in global context

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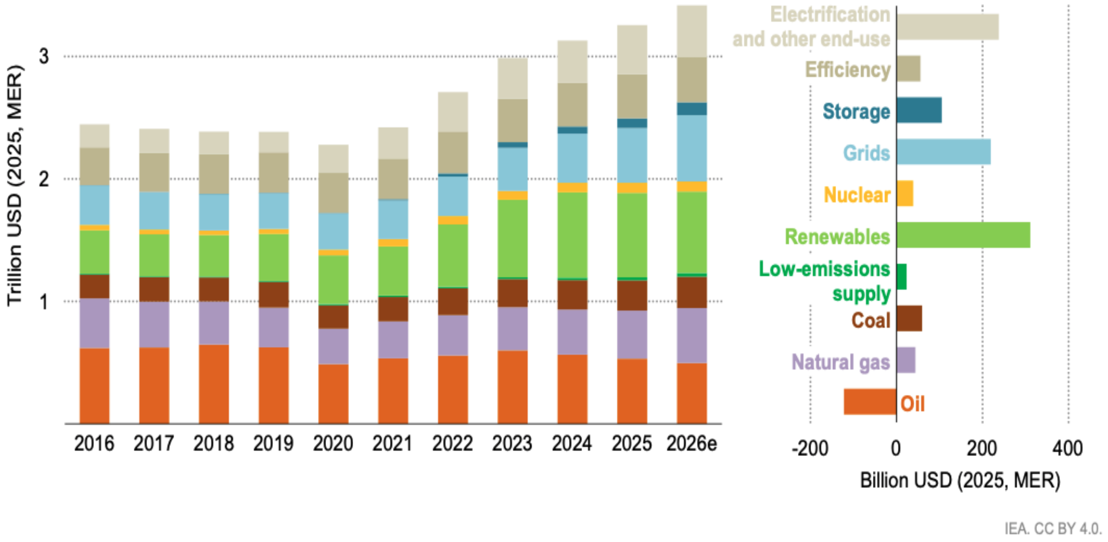
Energy investment rises to USD 3.4 trillion amid economic and geopolitical uncertainties

Global investment in energy, 2016-2026e (left) and change in investment between 2016 and 2026e (right)



Around USD 2.2 trillion is expected to be spent on renewables, nuclear, grids, storage, low-emissions fuels, efficiency and electrification, nearly twice as much as is going to oil, natural gas and coal.

Notes: MER = market exchange rate. 2026e = estimated. Oil, natural gas and coal includes both supply and generation investment.

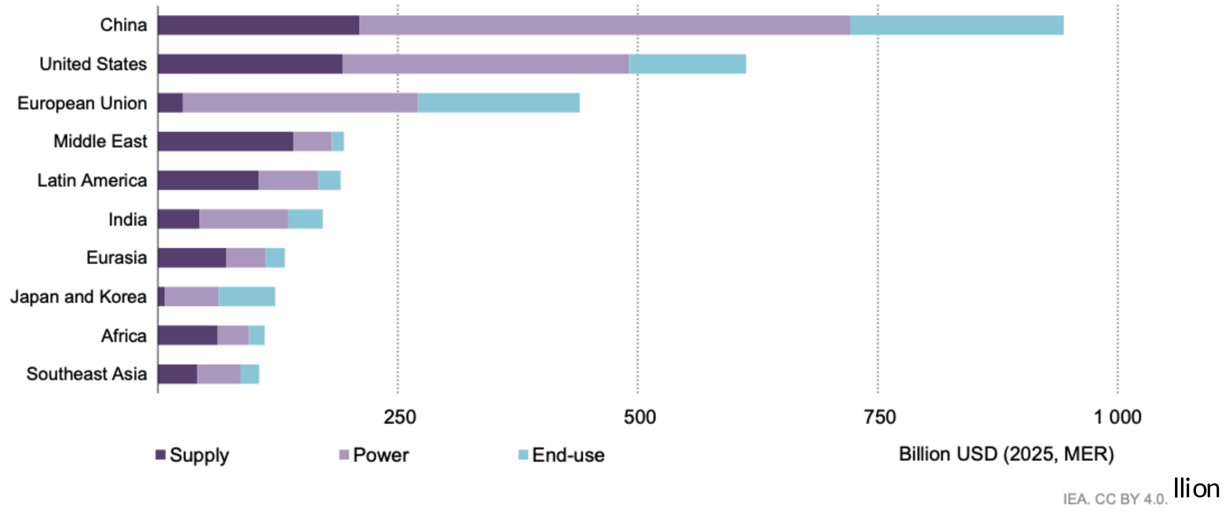
(IEA, 2026)

Key insights

- Global energy investment expected hit a record US $3.4 trillion by the end of 2026 ((IEA, 2026)
- Private markets raised roughly US $2.7 trillion over the past decade for energy-focused funds (Bloomberg NEF, 2026)

Advanced economies and China make up over 70% of total energy investments in 2026, with nearly half of all global spending going to the power sector

Total energy investment by region in 2026e



Emerging market and developing economies other than China account for less than 30% of total energy investment and 20% of power sector investment, despite having two-thirds of the world's population.

Note: MER = market exchange rate.

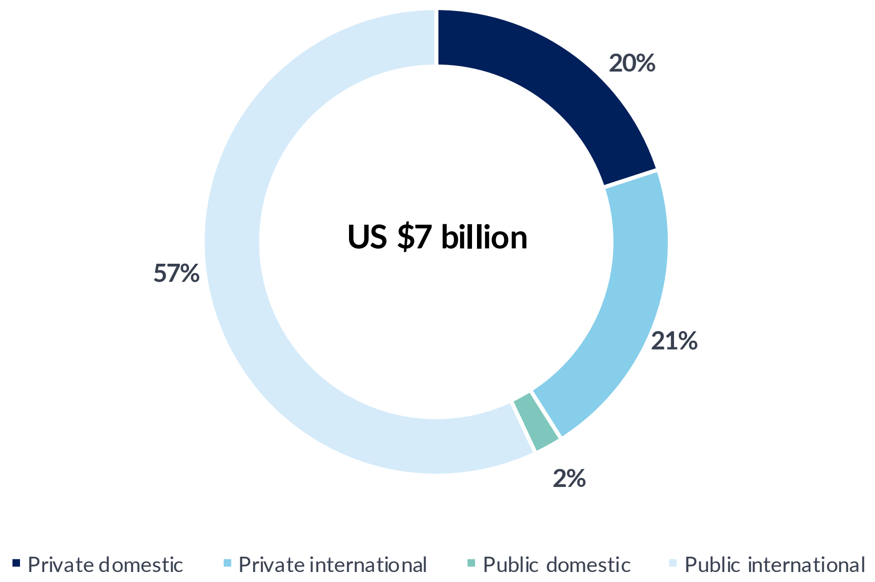
(IEA, 2026)

Key insights

- Rest of Asia (excluding China) share of global investments in energy grew from 8% to 11.6% between 2022/2023 and 2024 (IRENA, 2025)
- Most global clean energy investment is concentrated in China, the US, and Europe

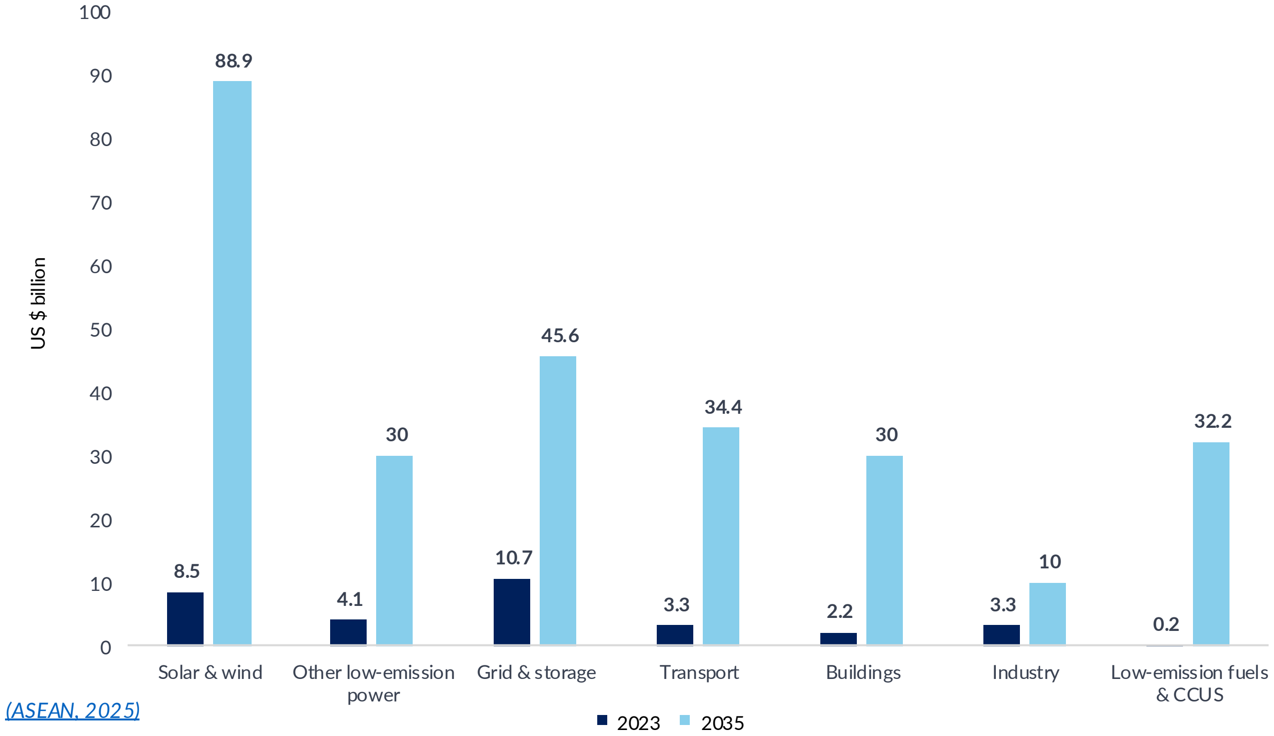
Landscape of energy sector financing in frontier Asia

Share of public and private, domestic and international investment in RE in LDCs (2022/2023 annual average)



(IRENA, 2025)

ASEAN clean energy investment by sector in US $ billions



(ASEAN, 2025)

Key insights

- LDCs in Asia only received approximately US $1.6 billion (22%) in public and private domestic investment for renewable energy (2022/2023 average) (IRENA, 2025)
- Investment of US $57 trillion in the LLDCs' energy system is needed to limit global temperature rise to below 1.5 degrees (IRENA & UN, 2022)

Key insights

- LDCs in Asia Pacific require a minimum investment of US $44 billion by 2030 to develop renewable energy projects alone (UN ESCAP, 2025)
- Small developers in DRE, mini-grids, rooftop solar, and community-level solutions receive only a limited share of financing flows

Barriers to private capital and solutions

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THE PROBLEM

Despite the growing clean energy demand, capital concentration in large projects leaves a pipeline of smaller projects untapped

Challenges faced by small clean energy developers

Access to capital

- Collateral and credit-history barriers
- Transaction-cost ceiling
- Shallow, bank-dominated domestic markets
- No dedicated credit products for small scale developers
- International capital arrives in formats unsuitable for sub-utility-scale tickets
- No positive EBITDA at utility scale

Cost of capital

- Currency mismatch
- Political and regulatory risk premium
- Off-taker and counterparty risk premium
- High domestic interest rates create a structural cost penalty
- Absence of local bond market depth
- Off-taker creditworthiness can be weak

Policy barriers

- No PPA bankability standard for smaller projects
- Inconsistent policies across Asia
- Sovereign guarantee bottlenecks
- Lack of direct procurement frameworks for commercial buyers

What needs to happen

- Reduce investment risks to lower the cost of capital
- Create dedicated financing channels for underserved developers
- Strengthen the enabling ecosystem for project development
- Fund bankable pipeline development
- Aggregate projects to reach viable ticket sizes

The Asia Clean Energy Finance Platform

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THE PURPOSE
De-risk investments in clean energy projects in frontier Asia for small clean energy developers

US $100 million facility → leverages **US $400-600 million total capital** · 4 Asian markets: **Bangladesh · Bhutan · Cambodia · Nepal**

Key elements

Aggregated lending platform

- Pools projects into one investment-grade facility
- Standardised documentation + pre-negotiated terms
- Lower per-project onboarding cost via a common template
- FX-risk hedging negotiated once at platform level

Catalytic capital

- Project Preparation Facility - grants for feasibility, Environment Impact Assessment, legal and Power Purchase Agreement work
- Mezzanine tranche from DFIs - subordinated, below-market debt that fills the equity gap

First loss tranche

- Concessional capital absorbs first portfolio losses
- Partial Risk Guarantees + Political Risk Insurance
- Standardised guarantee templates pre-negotiated with sovereigns and entities

The need for this facility

- Reduces fragmentation and transaction cost
- Creates a regional clean energy asset class
- Revolving structure recycles capital into new projects
- Unlocks larger pools of private and institutional capital
- Creates a pipeline of bankable projects

The Asia Clean Energy Finance Platform

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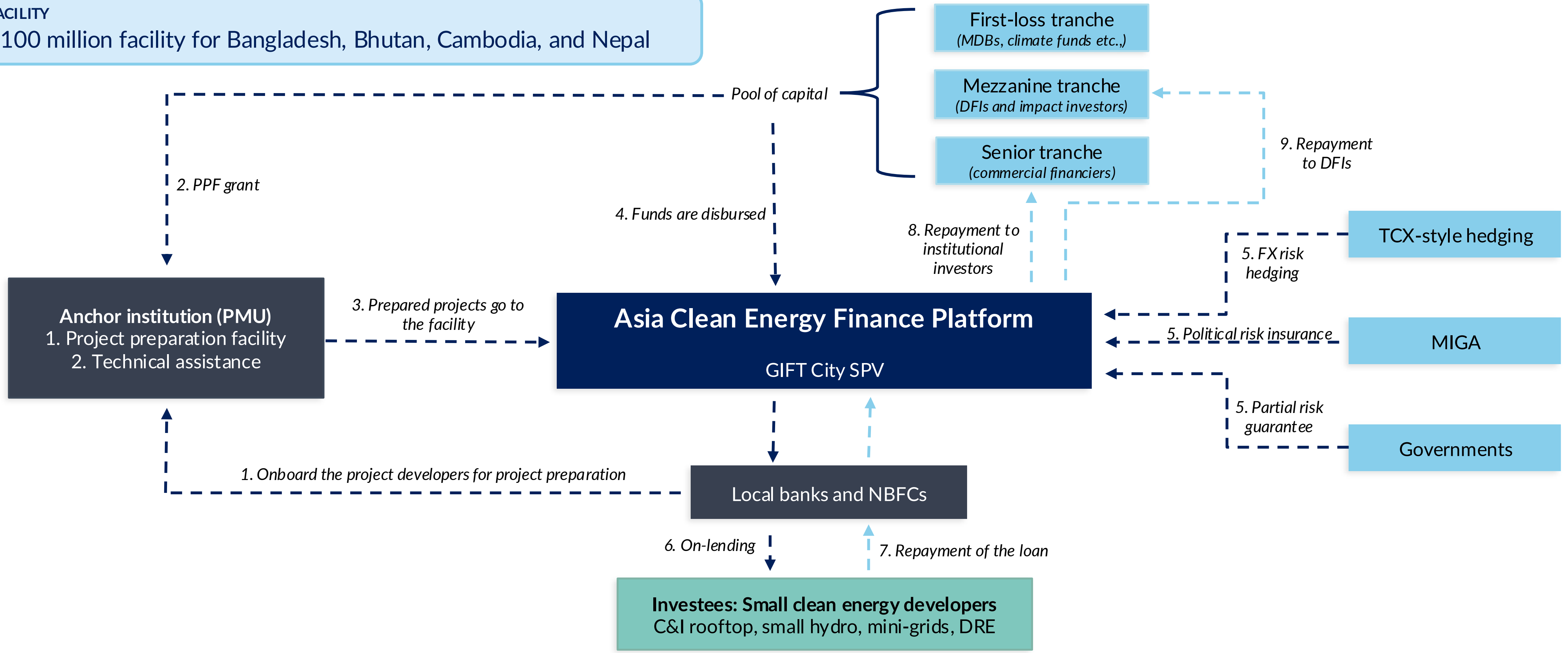
THE FACILITY
US $100 million facility for Bangladesh, Bhutan, Cambodia, and Nepal



Roles of stakeholders

Borrowers
- Originate bankable projects
- Provide local market access
- Demonstrate sponsor commitment

Funders
- Supply catalytic capital
- De-risk private investment
- Mobilise commercial finance

Ecosystem enablers
- Provide guarantees and insurance
- Strengthen policy confidence
- Enable local execution

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