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MANUSCRIPT

Presentation: "Financing of Clean Energy Projects in South-East Asia – Challenges and Opportunities"

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Introduction

Since the advent of the 21st century the world has come to the realization that conventional supplies of fossil fuels are increasingly scarce. This dwindling supply of fossil fuels coupled with grave concerns regarding climate change and its effects have contributed to a dramatic increase in price and a resulting scurry to develop clean energy. This is the overall global trend. However, the trends in Southeast Asia ("**SEA**") in particular, deserve a closer look.

SEA countries with growing economies have pressing needs for new power capacity and, in many cases, have large potential for renewable energy development. Furthermore, regardless of the exponential economic expansion, the fact is that large portions of the region's population (almost 75% in Myanmar and 66% in Cambodia for example) still do not have access to power. Meanwhile, for those more economically advanced nations of the region, an increasing reliance on energy imports has led to increased budget deficits and grave concerns regarding energy security. In all cases, development of renewable resources is viewed, or at least presented, as an appropriate, specific solution. Another fact of the renewable energy discussion is that many renewable energy entrepreneurs have good ideas but have difficulty to find financing. This is specifically true in Southeast Asia. We regularly meet with these investors, whose profiles vary from the individual entrepreneurs looking at developing self-power generating small-scaled facilities for residential application to well-established players considering overseas development of mega wind farms. Our purpose in this presentation will be to focus on this issue of the "missing middle" between the confirmed needs for more renewable sourced energy and the actual realization of the relevant investments. Despite the high demand, persistent barriers exist for financing these projects. These barriers span the economic, political, legal, technical and non-financial spectrum.

The author of this manuscript acknowledges that a lot of presentations have been made and a lot of literature exists already on the topic. We still humbly hope that the following pages will offer some new practical perspectives and responses, from the viewpoint of an energy specialist legal practitioner, to those entrepreneurs, companies, and investors who have good ideas and a willingness to embrace the renewable energy potentials and future.

Why it is more challenging to access financing for a renewable energy project than one in conventional energy (in SEA)?

Though the principles for financing traditional energy projects are fundamentally the same when compared to financing renewable energy projects, some differences exist and need to be taken in consideration at the outset. Notably:

- Typical transaction size of clean energy projects is smaller compared to the large IPP projects for traditional energy and as a result face scale economy challenges – *Example: Thai VSPP and smaller SPP scale wind projects.*

- The profile of renewable energy developers is generally perceived as riskier, due to the young history of the renewable energy market and the relative volatility it has to offer. Renewable energy markets themselves are still relatively young and constantly fluctuating, and therefore do not attract the same level of investor confidence as expected in accessing more traditional forms of energy.

- Renewable energy projects have high front end capital cost per kWh installed and require debt with longer maturity than is usually available. – Example of wind industry in Thailand, where blade length and hub height have been increased to 120m (and above) to address moderate wind speeds and higher uncertainty in yield, resulting in increased costs.

- Attaining access to financing for clean energy projects places a heavier reliance on policy and regulatory support from the government. This demand for regulatory support results in the creation of uncertain policies which tend to create an ambiguous investment climate

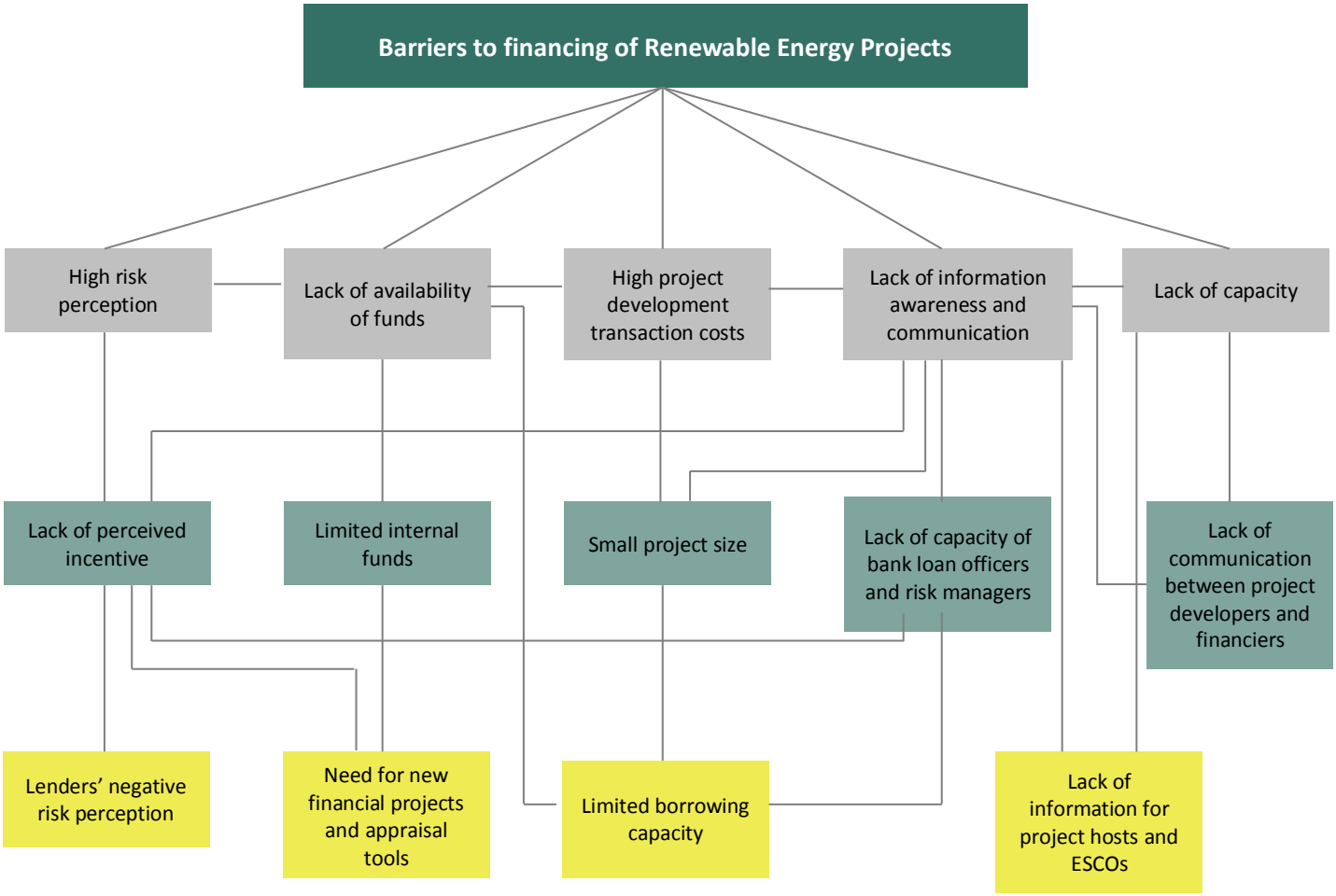
- Many Southeast Asian countries suffer from a lack of infrastructure, which materializes, for renewable energy developers, in grid connection uncertainty and extra costs for construction of transmission facilities.

- Last but not least, the ease of doing business in the region is inconsistent. At the end of the day, the lack of a general ease of doing business will directly impact the development and financing of renewable energy projects.

Jurisdiction	Regional Starting a Business (25)	Global Starting a Business (189)	2014 Regional Ease of Doing Business (25)	2014 Global Ease of Doing Business (189)	2013 Global Ease of Doing Business (185)
Singapore	1	3	1	1	1
Thailand	11	91	5	18	18
Vietnam	14	109	14	99	99
Indonesia	23	175	19	120	128
Cambodia	24	184	21	137	133
Lao PDR	10	85	23	159	163
Myanmar	25	189	25	182	n/a

Source: http://www.doingbusiness.org/rankings

- Ultimately, a legal practitioner must also put emphasis on the specific local legal challenges which any financier will be examining when considering ways to secure the financing of a renewable energy project in the region: unclear document requirements for the security interest perfection process, non-assignability of licenses, inconsistencies between laws (notably secured transactions law/bankruptcy law), enforcement process unclearly defined and/or implemented; absence of enforcement precedents and registration fee regime not adapted.



Barrier Tree for Clean Energy Financing

Who will potentially lend monies to your renewable energy project in SEA?

- *International/bilateral financial institutions and development banks* (Example: ADB, Proparco, FMO, DEG…) – They have significant presence and influence in the arena. While this is not a SEA specific statistic, it may be noted that the overall volume of finance for renewable energy projects by development banks increased from USD 4.5 billion in 2007 to USD 17 billion in 2011. Most of the funds granted take the form of loans; equity finance arrangements remain minimal at this stage. Importantly, in parallel to the direct financing activities, the relevant institutions significantly contribute to the capacity building needs, either by passing on their own experience with the preparation and analysis of technical and financial documents (example: the incorporation of the ADB and WB standards in the creation of Lao regulations regarding environmental impact assessment further to the completion of the Nam Theun 2 project in the Lao PDR may be a good illustration) or through technical assistance projects involving support to legal reforms (example: ADB support to the process of amendment of the Myanmar electricity law).

- *International private commercial banks* – Since the 2008 financial crisis, we have seen a decrease in the direct involvement of the standard Western banks into the relevant projects in the SEA region.

- *National development banks* - Historically speaking, there has been limited development and involvement of national development banks in Southeast Asian countries into renewable energy

policies, at least if compared to South America. However, as the demand for more renewable energy grows, we expect some developments in terms of creation of new ad hoc institutions.

- *Private equity funds* ("**PEF**") – In addition to debt financing by banks and other finance institutions, renewable energy projects also need equity financing (especially as the maximum debt to equity ratio required by banks is usually higher for these projects given their perceived higher risk profile – 60/40 against 70/30 usually). This is where private equity funds and other types of equity investors (venture capital funds) come into play. SEA has seen a significant multiplication of power specialized private equity funds (including some specialized in the renewable energy sector). They usually focus on brownfield projects (i.e. acquisition of equity stake in existing project companies or of development rights granted to initial project promoters), look for mature technologies (versus venture capital funds which will focus on "growth stage" technology companies) and expect to exit and make their return on investment in an approximate 5 year timeframe. Typically, PEF are looking at an internal rate of return (not below 15%) higher that those required from banks and financial institutions.

- *Local banks* – We see growing involvement of the local banks of some of the relevant countries, including in respect of outbound investments of their national investors. Example: Thai banks accompanying Thai investors for projects in the Lao PDR.

What roles does the government play to help renewable energy project financing?

Governments play, whether potentially or effectively, a crucial and multi-faceted role in setting forth the right environment to stimulate financing of renewable energy projects. Below is an overview of some example of various supporting roles:

- *Promotion:* The government formulates policies promoting the use of renewable energy resources. Actions that can be taken under the relevant policies include (i) higher tariffs, (ii) simpler model PPA in which negotiations are not permitted, (iii) easier or streamlined licensing and permitted projects, and (iv) financing measures (see below). Any different treatment of off-grid and on-grid renewable energy projects may also be valuably stated.

  It is worth noting that as of January 2014, 95 developing countries across the globe had renewable energy support policies in place; this number is astronomical when compared to the 15 developing countries that had policies in place in 2005.

- *Education*: Governments may prioritize initiating expanded measures on promoting awareness on benefits and opportunities of renewable energy supply options and the related development facilities. Effective dissemination of information and benefits of renewable technologies is needed to educate locals on the possibilities and benefits of using renewables.

- *Setting Targets:* Governments can develop renewable energy plans and targets to work hand in hand with, and support policy. It is important that the targets formulated by governments shall be realistically plausible as setting the targets too high may have counter-productive effects.

- *Investment* (whether direct or indirect): Governments can invest directly into renewable energy projects or through State owned enterprises. Example: EGAT has been developing eight mini hydro projects with a total capacity of 87 MW.

- *Regulatory:* Once national policies are designed, and formal objectives and targets are made, one government function is to create adequate financing tools and to integrate them under effective regulations that are consistently applicable on clear criteria and conditions. It is important that

governments assign a relevant entity with the responsibility of promoting the needed implementation measures for renewables. The existence of such an entity will also help in effectively building the capacity of officials to deal with renewable energy issues that come up in practice. Please refer to section below "What are the specific financing mechanisms available to address the RE project financing challenges?" for more details on relevant regulatory measures.

- *FDI liberalization*: Governments can valuably liberalize the importation of renewable energy technologies, equipment and parts; and encourage joint venture partnership with foreign manufacturers, developers, and licensees. Example: Vietnam.

- *Research and development:* Government can also prioritize activities of the competent State agencies (ex: Ministry of Science and Technology) to assure a systematic assessment of economically viable resources for specific renewable energy technology applications such as solar, wind power, biomass, and micro-and mini-hydropower projects.

The various roles above are interconnected and must be coordinated through the appropriate governmental authorities in order to ensure effective conversion of the national policies' objectives and targets into actual investment realization.

An illustrative example of successful governmental policy and implementation would be the Philippines. Due to the fuel crises that erupted in 2008, unleaded gasoline in the Philippines skyrocketed to P56 per litre. As a result, the Department of Energy, working with other agencies such as the Energy Regulatory Commission, formulated the *Renewable Energy Act 2008*, which was aimed at:

(i) Promoting the development of renewable energy resources and their commercialisation to achieve national security;

(ii) Create a competitive environment and empowerment of the consumer;

(iii) Reduce the Philippines' overall greenhouse gas emissions through the promotion of sustainable energy measures;

(iv) Reduce energy imports in order to achieve self-reliance.

This carefully formulated renewable energy policy has resulted in the Department of Energy issuing over 565 renewable energy service contracts with another 140 in the pipeline as of 30 April 2014. In addition, the effective policy implementation has resulted in the Philippines raising its renewable energy capacity to 5,400 MW. It is expected that this will triple to at least 15,000 MW of installed capacity by 2030.

As of today, the Thai Solar Photovoltaic ("**PV**") Rooftop Program exemplifies the potential greater practical difficulties (and disappointment) in fully converting the policy level into easy investments for renewable energy entrepreneurs. The Solar PV Rooftop Program is one of the key pillars of the Thai Alternative Energy Development Plan 2012-2021. The program's objective is to encourage domestic and commercial buildings to install PV systems on their rooftops with the intent to generate electricity which can be self-consumed and/or sold to the government. Excess electricity generated under the rooftop program is sold to the Provincial Electricity Authority ("**PEA"**) or the Metropolitan Electricity Authority ("**MEA**") under the Energy Regulatory Commission's Rules and Regulations on Thailand's Solar PV Rooftop Program. These regulations outline rules for determining the eligibility of participants, sale processes and the method for calculating remuneration, as well as mandate the use of a standardized Power Purchase Agreement to be entered into between the proposed generator and either the PEA or MEA.

One impediment to the program implementation has been the quagmire of licensing and permit requirements. Those wishing to install solar panel systems with a generating capacity below 3.85 kilowatts (KW, being 1/100th of a MW) on their residential homes in Thailand for private, off-the-grid consumption may do so without any licensing and permit requirements. The problems arise when these systems need to be connected to the grid or have a generating capacity in excess of 3.85KW. Until March of this year, to be eligible for electricity generation in excess of 3.85KW, a factory license issued by the Industrial Works Department was required. To install solar cells from which excess electricity will be sold to the MEA or PEA through a connection to the national grid, one must be eligible under the Solar PV Rooftop Rules, must obtain a permit to alter residential buildings issued by the Civil Works Department, and must sign a standardized power purchase agreement with the MEA or PEA. The authorities, to date, have been reluctant to issue these licenses despite support from various ministries and the Thai Photovoltaic Industries Association.

However, there is recent good news. In the wake of on-going negotiations between the Thai Photovoltaic Industries Association and the Energy Regulatory Commission, the ERC announced on March 25th 2014 that electricity generation under the Solar PV Rooftop Program does not constitute a "power plant factory" requiring a factory license. Prior to this announcement, the permitting requirements were considered to be so time consuming that many applications for rooftop solar-cell installations were reported to have been withdrawn. The hope is that the removal of the factory license requirement will encourage solar power advocates to look again at harnessing the sun's energy on their rooftops in Thailand.

What will potential financiers be looking at?

The following considerations are just some of the criterion applied by a potential financier / investor when considering investing in a specific renewable energy projects in Southeast Asia:

- Technical feasibility of the project as a whole.
- Commercial viability (for example: considerations such as whether a power purchase agreement is/can be negotiated with the relevant governmental agency at satisfactory conditions, regarding notably the tariff structure)
- Financial feasibility (i.e. whether the investor will be guaranteed a return on his/her investment and at what rate), including tax regime applicable to the regime.
- Market based criteria and growth potential.
- Credentials of management team (financiers/investors generally tend to work closely with those experts who have had experience in their relevant field, the challenge for Southeast Asia being that not many local experts can be found in the clean energy sector and as a result are generally brought in from foreign countries).
- To what extent the project can generate carbon revenue streams.
- Development benefits (subject to lender's profile).
- Local regulatory requirements, including foreign exchange restrictions.
- Whether the local legal framework allows for effective creation of security interests over the widest scope of project assets.

Importantly, financiers' decision on whether to take a risk on these various matters will require a consideration of both:

- the probability of the occurrence of an identified event ; and

- the impact of any such event, should it occur.

What are the specific financing mechanisms available to address the challenges in financing renewable energy projects?

RE professionals all point to "regulatory" framework as a key driver of the development of the RE projects. This refers to specific measures and tools incorporated into the regulatory system of the country where the project is developed, a non-exhaustive presentation of which is set out below.

1) Guaranteed price

A guaranteed return on investment is the primary consideration of investors when determining whether to invest in a project. The following mechanisms are often used to attract investors by guaranteeing revenue for the project.

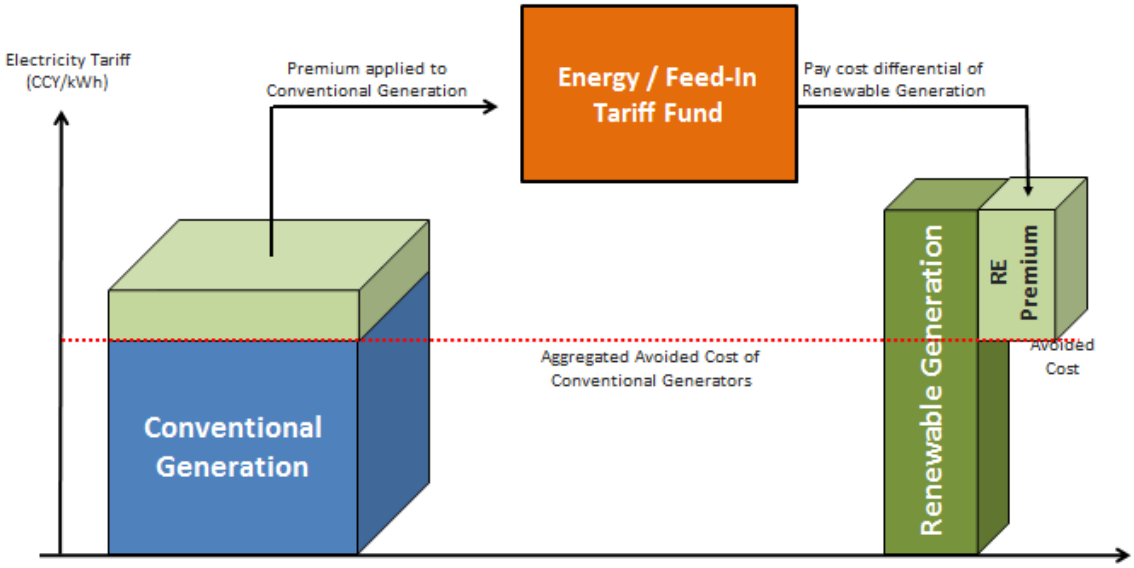
(a) Feed-in-Tariffs ("**FIT**")

What are FiTs?

FiTs are one of the most widely and internationally recognised energy policies. The mechanism is credited as possibly the most effective and efficient driver of renewable energy by creating security for investors. FiT mechanisms are in place in over 65 countries, and although it is predominantly a mechanism used in developed countries, as of 2013, 28 national FiTs are in place in developing economies.

How FiTs work?

An effective FiT mechanism guarantees that customers who own and operate FiT-eligible renewable electricity generation facilities, such as roof-top solar PV systems, will receive a set price from their utility for the electricity generated and "fed in" to the grid.

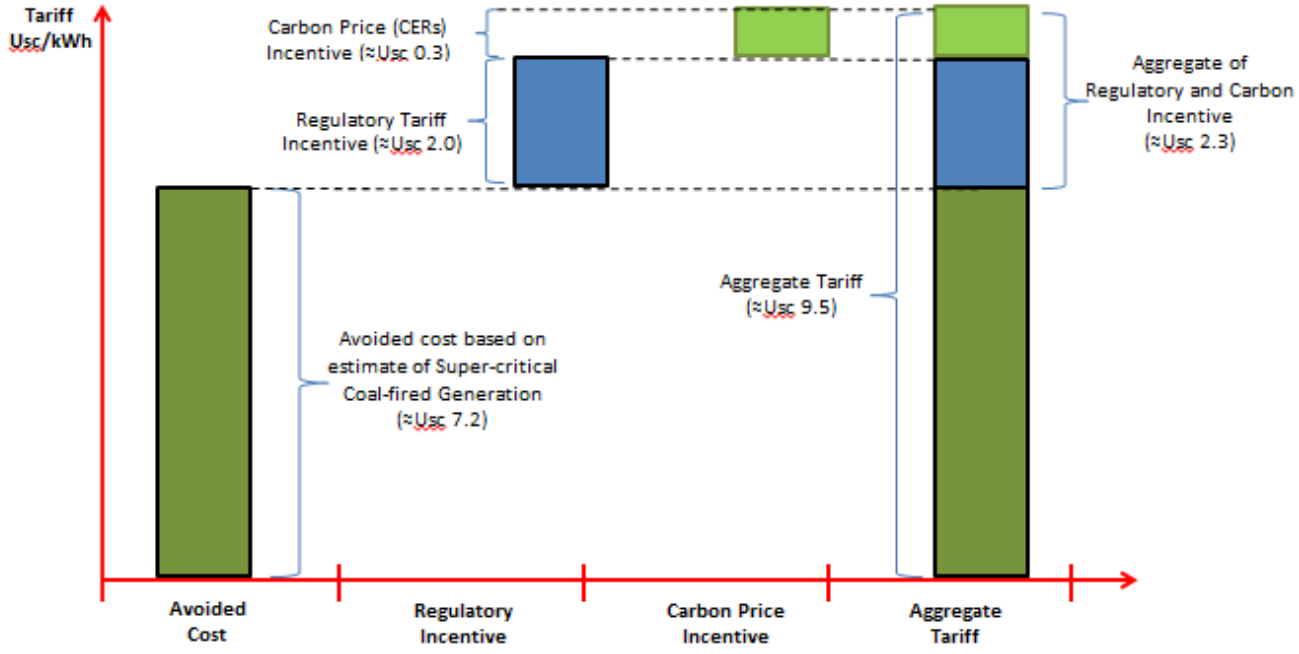


The Financial Aspects of FiTs

FiTs are considered to be vitally important to investors and electricity distribution companies. For investors the allure of FiTs rests in the possibility of a guaranteed return on investment for a

prescribed number of years. However certain considerations exist when prescribing an FiT rate. An illustrative example is Spain, where the government significantly reduced the tariff a year after its start and suspended the FiT altogether in 2012 due to the heavy investment in the sector.

On the other hand, electricity distribution companies also derive some benefit out of FiT schemes; under FiT mechanisms, electricity generating companies can avoid certain costs which occur in the generation and distribution of electricity; such costs are often known as "avoided costs". "Avoided costs" can be defined as the cost the utility would have incurred had it self-supplied, or bought from a third party the products and services it is buying from the FiT qualifying facility. A graphical representation of the FiT mechanism can be found below.



Source: Ritchie, D., Deploying Low Carbon Technologies: Costs of Readiness, December 2010.

(b) Net metering

Similar to FiT mechanisms, net metering programs are used internationally as a recognised incentive for investment in on-site renewable energy generation. The process allows owners of on-site renewable energy systems to offset their consumption over a billing period by allowing their electric meters to run backwards when they generate electricity in excess of their demand. This process allows renewable energy generators to receive retail prices for the excess energy generated.

In 2008 the Philippines, introduced the Renewable Energy Act of 2008, which included the introduction of a net-metering program. By implementing the program, the Philippines became the second Southeast Asian nation to implement a net metering program after Singapore.

2) Renewable Portfolio Standards

A Renewable Portfolio Standard (RPS) is a policy mechanism which enables the increased production of energy from renewable energy sources. The RPS mechanism places an obligation on electricity

distribution companies to produce a specified fraction of their electricity from renewable sources. Renewable energy generation companies earn credits for every unit of electricity they produce and can sell the credits along with the electricity to electricity distribution companies.

There is a distinction between RPS and FiT mechanisms; FiTs guarantee the purchase of all renewable energy regardless of the cost; RPS mechanisms on the other hand allow for a variation in price and thus lead to increased competition between the different types of renewable energy.

Out of all the countries in Southeast Asia only Malaysia and Indonesia have RPS mechanisms in place.

3) Tradable Renewable Energy Certificates

What is a Renewable Energy Certificate ("REC")?
RECs represent the environmental attributes associated with renewable electricity. Although RECs are typically sold in kilowatt-hours or megawatt-hours; RECs can be sold either as a bundle (with the underlying energy produced) or unbundled (as a separate commodity from the energy itself). For every unit of electricity generated from a renewable energy project a corresponding REC can be sold.

How do RECs Work?
When consumers access electricity via the grid, they are accessing a mix of electricity derived from both conventional and clean energy projects. As a result, they are unable to choose which sector to support. By purchasing RECs, consumers' money can be used to support clean energy projects; the money generated from the sale of REC goes directly to new/existing renewable energy facilities whereby providing a financial incentive for developers to build more renewable energy projects.

4) Fiscal incentives

Governments across the Southeast Asian region now have policies in place which offer a wide variety of tax incentives and related programs to support renewable energy investment. These fiscal incentives include:

(i) Tax incentives, including indirect incentives (such as VAT and customs duties exemptions on imported renewable energy equipment) and direct incentives (such as exemption from profit tax for the project company in respect of the profits generated by the project, or withholding tax exemption in respect of dividends and interests received by shareholders and lenders); and

(ii) Accelerated depreciation of assets.

Overview of Financing Mechanisms Available in Southeast Asian Countries (other than public financing)

Country	RE Target	FiT	Net Metering	Fiscal Incentives	Tradable RECs	RPS
Thailand	✓	✓		✓		
Malaysia	✓	✓		✓		✓
Philippines	✓	✓	✓	✓		
Singapore			✓		✓	
Vietnam	✓				✓	

Country	RE Target	FiT	Net Metering	Fiscal Incentives	Tradable RECs	RPS
Indonesia	✓	✓		✓		✓
Myanmar	✓					
Lao PDR	✓					
Cambodia	✓					
Brunei						

Which financing options do RE investors have?

The renewable energy financing options include the following main categories: corporate lending, project finance, mezzanine finance and refinancing. We refer readers to specialized literature for definitions of these general finance concepts. "Project finance" is most commonly referred to category in the discussion on renewable energy projects, even though it is commonly misused. Here, this paper will expand on the project finance structure.

Project finance structures are arranged around a central pillar; the project company as a special purpose company created only to develop and operate the project. This entity "houses" all project assets, including the contracts with all relevant counterparties (suppliers, EPC contractor, OM contractor, financiers, host government, off-taker….). Under such a structure, the financing is based solely on project cash flows and there is no or limited recourse to the sponsors. The structure relies on the fundamental principle that risk should be allocated to the project proponent that is best able to control, manage and/or mitigate the risk.

This leads to the question: is project finance adequate for any renewable energy projects? This will strongly depend on various factors. The following pros and cons must be considered:

Pros	Cons
- PF enables to maximize the leverage of capital intensive infrastructure assets. - It allows lenders to assess a project in a very comprehensive manner and on a stand-alone basis. - Sponsors can externalize the debt off their balance sheet. - PF enables to eliminate or limit recourse to sponsors (via full support guarantees for example). - PF may allow better credit risk.	- PF implies stronger complexity of project development, materializing in more delays and professional costs. - Cost of capital is usually higher than traditional commercial financing. - The heavy reliance on contractual tools implies high sophistication/complexity of the documentation.

Subject to the size of the projects and profiles of the investors, other finance structures may be considered, such as: credit enhancement (example: ECA political risk insurance or guarantee, credit default swap), development finance institution direct financing, Islamic finance products, project bonds financing and lease finance.

What are the special legal considerations in relation to financing a renewable energy project?

Reaching successful financing for a renewable energy project is dependent on several legal considerations. Your legal counsel will play an integral part in helping your projects attain financing. Key legal considerations and associated works most notably include:

- Procuring contractual terms adequate to ensure an optimized financial model, notably through adequate tax planning advice, assistance to negotiate an adequate tax regime for the project (where possible) and other financial terms in the concession agreements (including specifically compensation scheme in case of termination), assistance to negotiate PPA and EPC terms;

- Properly anticipating default, dispute and termination scenarios;

- Obtaining all necessary licenses on the basis of a comprehensive assessment of all relevant licensing requirements and local law restrictions, including the right to use the land needed for the project site;

- Setting out the terms of agreement between the sponsors;

- Negotiating the financing documents with the lenders, including the scope of the collaterals to be used to secure financing of the project;

- Comprehensive assessment of all environmental and social obligations under local laws; and

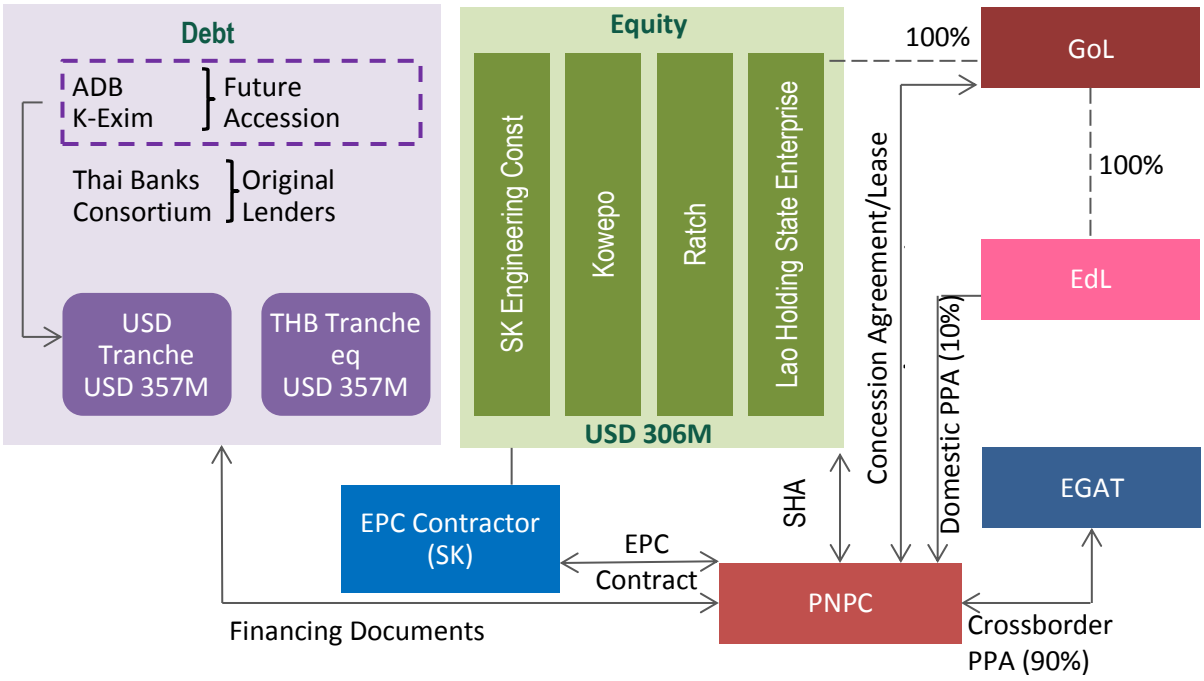
- More generally, assessing your risks and proposing adequate mitigations/solutions.

For brownfield projects, where the renewable energy investors are looking at acquiring interests in an existing project, special attention on due diligence is highly recommended, since the renewable energy arena, given its trendy attractiveness in the recent years, has seen a lot of purely speculative involvement of local, non-experienced promoters. Carrying out a proper due diligence ahead of the financing phase will anticipate some of the lenders' concerns. Proactive development of mitigation steps will no doubt facilitate the financing phase.

Examples of successful and innovative solutions in the SEA region

Financing of large hydropower project in the Lao PDR (Xe-Pan Xe-Namnoy project): Project finance structure

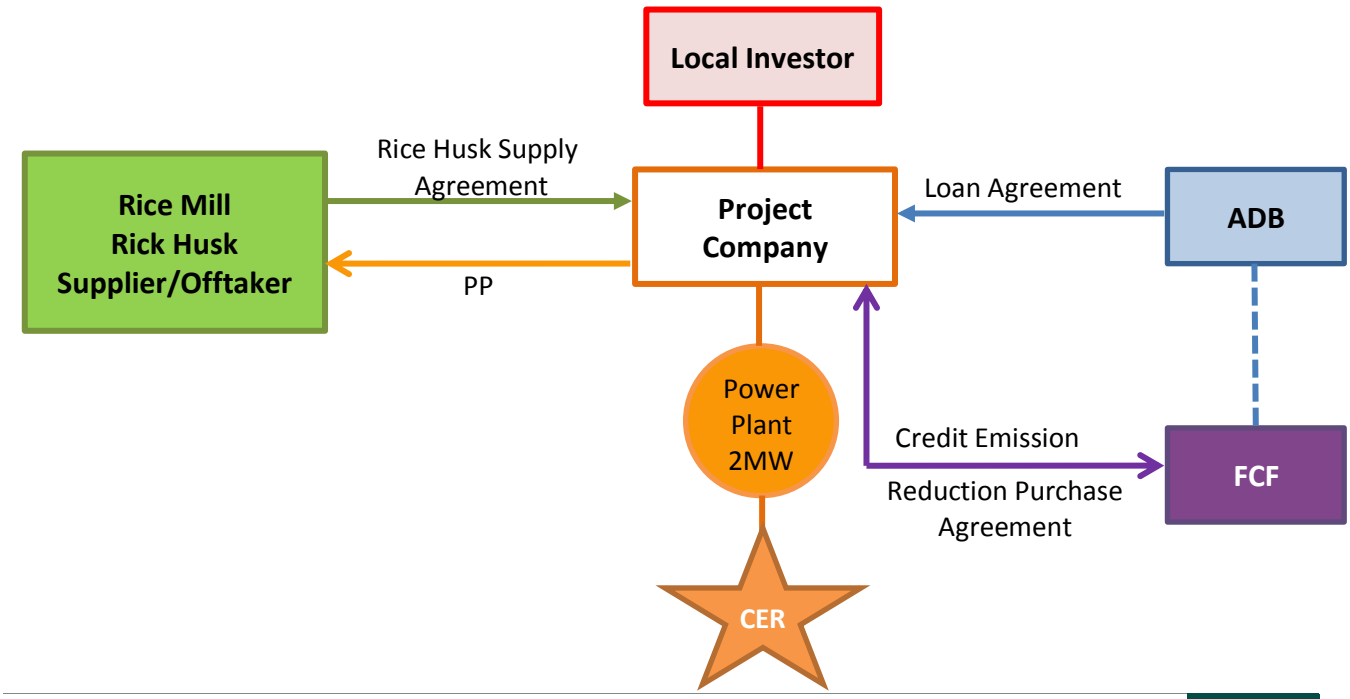
Xe-Pian Xe-Namnoy project is located 500 km south-east of the capital Vientiane, Lao PDR. The USD 1.02 billion 410MW Xe-Pian and Xe-Namnoy cross-border hydropower project is the first major investment by Korean sponsors in the Lao energy sector. The financing documents of the project were signed on 28 November 2013, and the multi-currency financing project closed 5 February 2014. Commercial operations are scheduled to start in 2019 and about 90% of the project's capacity will be sold to the Electricity Generating Authority of Thailand (EGAT) with the remainder to be sold to Electricité du Laos under long-term power purchase agreements.



Specific challenges on this project included:

- First Thai financing to non-Thai exclusive investment
- FOREX risk as Thai Banks finance in USD
- Flexibility: Structure permitting post-closing accession by multilateral lenders
- Account structure - change of central bank policy on requirement for equity subscription on domestic bank account

Financing of a biomass project in Cambodia (Angkor Bio Cogen project): Development bank direct financing



What are the perspectives for future access to financing for clean energy projects in Southeast Asia?

ASEAN Perspectives

With the ASEAN Economic Community set to debut on the 31st of December 2015, the question is whether an intra-ASEAN policy will help promote access and the development of clean energy in the region.

The ASEAN Centre of Energy ("ACE") could offer interesting potentials in that regard. It is an intergovernmental organization (established by Brunei, Cambodia, Indonesia, Laos, Myanmar, Philippines, Singapore, Thailand and Vietnam) guided by the ASEAN Governing Council which is composed of the senior officials on energy of the ASEAN countries. ACE has been an instrumental body in preparing both the ASEAN Plan of Action for Energy Cooperation 1999-2004 and the ASEAN Plan of Action for Energy Cooperation 2010 – 2015. ACE effectively coordinates with (i) the Forum of Heads of ASEAN Power Utilities / Authorities; (ii) the ASEAN Council on Petroleum; (iii) ASEAN Forum on Coal; (iv) Energy Efficiency and Conservation Sub-sector Network; and (v) the New and Renewable Sources of Energy Subsector Network.

The major plans of ACE include several projects both in the fields of traditional energy and clean energy. In terms of implementation, ACE is actively involved in various activities, some of which should result in direct effects on renewable energy developments. The following programs are to be watched by renewable energy investors: Development of an ASEAN Power Grid, Energy Efficiency and Conservation Promotion, New and Renewable Energy Development and Regional Energy Policy and Environmental Analysis. Of note, the New and Renewable Energy Development program includes the objective of increasing the development and utilization of renewable energy sources to achieve a 15% target share of renewable energy in the ASEAN power generation mix.

ACE has achieved some notable targets, and yet more work needs to be done to address the facilitation of energy efficiency financing. With ACE's ASEAN Plan of Action for Energy Cooperation 2010 – 2015 coming to a close, ACE will need to ensure that more focus is given on the objective of facilitating energy efficiency financing.

Enhanced commercial banks confidence

We anticipate that the success of pioneer projects will likely result in ferocious appetite among financial banks. We can mention the solar project developed by SPCG in Thailand, which proved 20% more successful than initially forecasted. While solar power was not well regarded as a commercial exercise and more a source of suspicion to banks until five years ago, the trend has now changed as banks can now rely on concrete precedents.

Continued support form development agencies and banks

Meanwhile, development banks and agencies maintain a driving force role. The ADB develops regularly new initiatives targeted at supporting and encouraging renewable energy projects by providing innovative financing mechanisms. We can mention the Future Carbon Fund which is a trust fund established and managed by the ADB on behalf of fund participants since 2009. The CIT-PFAN, a multilateral public-private partnership supported by USAID, also presents some noticeable potential for clean and renewable energy projects; the purpose is to bridge the gap between investors and clean energy entrepreneurs and project developers. Relevant services include identification of promising clean energy projects at an early stage and provision of mentoring for development of a business plan, investment pitch, and growth strategy, significantly enhancing the possibility of financial closure. Numerous initiatives are launched by the relevant agencies and organizations and more and more targeted at the direct support to the industry.

SEA renewable energy scene is now active, while its development timescales are still subject to considerable challenges, notably in terms of meeting lenders' financial expectations and requirements. As experience increases steadily, there should not be much doubt that financing options and actual accessibility of these options will open and investment developments will increase steadily as well.