Discussion guidance note - Working Group 3

From IPs to project Implementation

General topic
From IPs to project implementation.

Working Group Context
The SEforALL Investment Prospectuses are designed as a conversation starter with potential investors around priority investment projects that are meant to transform the priorities contained in the Action Agendas into implementable investment projects. The IPs have evolved over time in the absence of a fully-fledged template. Guidance documents were produced to orient the development of the IPs, such as the IP concept note developed by the Hub in 2015.

More recently, in an effort of coordination the implementation of the SEforALL in the ECOWAS region, ECREEE proposed a common framework for the development of the IPs. The ECREEE IP framework, approved in 2016 in Dakar, gives more detailed guidance and structure to the IPs of the region and divides the projects in four tracks: 1) On-grid; 2) off-grid; 3) Bioenergy and clean cooking and 4) Energy efficiency. SEforALL carried-out at the end of 2016 a review of the IPs with suggestions on making the IPs more fit for purpose.

Moderator and scene setting

- Astrid Manroth, Director for Energy Partnerships at AfDB, will be the moderator for the session.
- Jane Ebinger, Policy Director SEforALL, will make a brief presentation of the IP-review and approaches to strengthen the IPs that was carried out by the global SEforALL team.
- Safiatou Alzouma, IRENA, would make a brief presentation on the IRENA market place and how the IP projects could feed into the market place in a systematic manner.
- Leslie Labruto, Global Energy Lead, Acumen, would make a brief presentation on what Acumen, and investors more generally in this space, look for in relation to the IPs.
Status of implementation

The development status of the IPs is as follows:

I. Finalized: Angola, the Gambia, Kenya, Tanzania


In addition to the advancements of specific projects contained in the IPs driven by the project sponsors, follow-up support is being provided to Kenya and Tanzania.

Previous Recommendations

At the previous SEforAll Annual Workshop held in Abidjan, in February 2016, participants addressed the question of how SEforAll can facilitate a coordinated follow-up to AAs/IPs specifically with regards to the mobilization of required investments and technical assistance and the forging of the required public-private partnerships. Several recommendations & follow-up to date were advanced in response to this question including:

i. The creation of a web platform that gives visibility to the projects in the IPs with standardized information on associated investment environments, safeguards, regulation, tariffs, etc.; preferably starting with the SEforALL Africa Hub Web Site.
a. The SEforALL Africa Hub website includes list all finalized IPs. In Kenya the development of a SEforALL portal listing IP priorities is under development with the support of UNDP.

ii. Using market places, such as the IRENA’s Sustainable Energy Market Place, the OECD-WEF Sustainable Development Investment Partnership (SDIP) or the new Convergence Platform being finalized, and organizing or tagging on to existing national, regional and international investment fora to mobilize investments for the IPs.
   a. An in-principle agreement with IRENA regarding the inclusion of IP projects in the areas of renewables and energy efficiency in the market place. A first pilot test case in Kenya is underway. Some of the IP projects have also been included in the creation of the AREI pipeline.

iii. To involve the financing community already in the development process and in the review of the IPs as part of the Quality Circle. Furthermore, participants recommended the organization of dedicated investment fora and roundtables that opportunistically should be tagged on to existing fora at national, regional and global level.

With a majority of the AAs and IPs completed or nearing completion the time is ripe for implementing specific actions required for actualizing these recommendations and dialoguing further on how to move these projects from wishes to reality.

**Working group objectives**

This roundtable discussion will discuss the following four themes:

1) **Making IPs more fit for purpose**: how can the IPs be strengthened to better reflect the expectations of potential investors? Reflection on the experience of the first IPs, the ECREEE IP framework and the IP review work that was carried out by SEforALL in fall 2016. What does it mean for IPs already developed or currently under development?

2) **Using IPs as the basis for national financing dialogue**: How could the IPs serve as a basis for a public-private country financing dialogue for the energy sector?

3) **Linking IPs to potential investors**: what is the experience so far in marketing IPs to potential investors and what can be done to achieve the target audience? How can investor requirements be brought in early into the process?
4) **Accelerating the preparation of bankable projects**: many projects are at this stage mere project ideas without the requisite information to be interesting for potential investors. What support could be mobilized to move from project ideas to “bankable” projects? How and where to implement a pilot project to prove the ‘bankability’ of the IPs?

**Expected outcomes**

The working group will elaborate a set of **key recommendations** to be reported for discussion to the plenary session, possibly followed up by work on a concrete pilot project / financing dialogue in (a) selected country(ies).