



Mobilising Finance and Investment in Clean Energy in Emerging Economies

The programme

The OECD Clean Energy Finance & Investment Mobilisation (CEFIM) programme aims to attract finance and investment in emerging economies in clean energy, including in renewable energy and energy efficiency as well as decarbonisation of industry.

Taking an integrated approach to policy, regulation and investment mobilisation, the CEFIM programme aims to increase the potential for impact. The programme is designed to help strengthen policies that enable a robust pipeline of clean energy projects whilst mobilising private sector finance and investments in clean energy.

The CEFIM programme was established in 2019 thanks to financial support from Denmark. In 2021, CEFIM was subsequently expanded thanks to financial support from Australia, Canada, Egypt, as well as Germany as part of the Sustainable Infrastructure Programme for Asia.

CEFIM activities are designed to support the specific needs of each partner country. This includes Clean Energy Finance and Investment Policy Reviews and Roadmaps, implementation support activities, investor dialogues and regional peer learning activities.

Relevant CEFIM activities tailored to countries' needs and priorities



Partner countries

CEFIM currently works with **Colombia, Egypt, India, Indonesia, the Philippines, South Africa, Thailand** and **Viet Nam**. The programme is designed to provide support according to the needs of each partner country, complementing existing national efforts and bilateral or multilateral co-operation to accelerate the clean energy transition.





CEFIM activities

Reviews

The Clean Energy Finance and Investment Policy Reviews provide a comprehensive overview of key policies, measures and regulations that form an enabling environment for clean energy development. The Reviews engage with stakeholders to assess challenges, identify opportunities and provide recommendations to unlock private capital for clean energy projects.

The Reviews:

- Apply an analytical framework through a flexible and demand-driven approach.
- Build on OECD experience with Investment Policy and Environmental Performance Reviews.
- Undertake a holistic analysis of policies that affect the finance and investment environment for clean energy.
- Consider how policies reinforce each other.



Investor dialogues

These dialogues are aimed at drawing attention to clean energy investment opportunities and attracting new investors. They also aim to co-ordinate action with stakeholders and facilitate matchmaking opportunities by bringing together investors, project developers and policy makers.

Roadmaps

The Clean Energy Finance and Investment Roadmaps bring together stakeholders to determine an action plan that identifies and addresses bottlenecks constraining finance and investment in clean energy.



The Roadmaps outline opportunities to tailor market and policy interventions to unlock further finance. They also evaluate the need and support the development of investment vehicles and financing solutions that can attract capital at suitable scales:

The Roadmaps:

- Leverage OECD convening power and bring together domestic and international partners to develop strategies to scale clean energy finance and investment.
- Set actions and time-bound milestones to achieve these strategies.
- Provide recommendations for financing mechanisms and innovative business models based on international experience.
- Identify investment opportunities.

Implementation support activities

CEFIM provides countries with tailored, demand-driven support to develop policies that attract private capital for clean energy, including assessing relevant financial instruments to maximise use of limited public and development funds. Relevant activities aim to help countries to:

- Formulate strategies that decarbonise industry and buildings, with a focus on accelerating energy efficiency adoption.
- Develop toolkits to track clean energy finance and investment flows.
- Strengthen capacity and share knowledge through trainings, workshops and policy dialogues in Indonesia.

Actionable recommendations

Implementation of findings from the Clean Energy Finance and Investment Review and Roadmap

Analysis and capacity building

Targeted analysis, workshops, policy dialogues and training events

Operationalisation

Policies, financial instruments, tools or projects that support clean energy development



Events

As part of CEFIM activities a number of partner country-specific, regional and international events have been organised covering topics such as energy efficiency finance, renewable energy finance, blended finance, emissions trading schemes, and digitalisation. The CEFIM webpage (www.oecd.org/cefim) hosts more information on these events.

Regional peer learning

Regional peer learning events help identify common challenges and allow countries to share good practices and lessons learned in creating the right enabling environment to mobilise capital for the clean energy transition.

Cross-cutting analysis

Blended finance

Mobilisation of all sources of finance is needed to close the clean energy financing gap globally. The OECD's *Blended Finance Guidance for Clean Energy* explores specific features of clean energy projects, and the wider transition, to draw lessons for donors, policymakers in beneficiary governments, and financial institutions on whether and how best to deploy blended finance in the sector.

Industry transformation

Understanding industry's role in realising net zero emission pathways requires attention from both businesses and governments. The *Framework for industry's net-zero transition*, released in September 2022, is a step-by-step approach to assist emerging and developing economies in improving their enabling conditions and designing financing solutions that can accelerate industry decarbonisation. It can help to facilitate international co-operation for climate finance. CEFIM is implementing the Framework in Egypt, Indonesia, South Africa, and Thailand, with a view to expand this activity to other countries in the future.

Low-carbon hydrogen

Low-carbon hydrogen can contribute to the transition to a low carbon economy, particularly in hard-to-abate sectors such as heavy industry. To support governments looking to enable investments in low-carbon hydrogen, CEFIM has released a report on "Green hydrogen opportunities for emerging and developing economies", released in 2022, to assess salient challenges and socio-economic benefits in emerging economies through a systemic approach across the value chain. CEFIM focuses on the success factors to unlock investment in the hydrogen value chain, covering enabling conditions, business models, and financing.



The CEFIM webpage (www.oecd.org/cefim) provides on-going insights into our activities and events. This includes country pages with interactive data and analysis, CEFIM country comparisons and analysis across thematic areas. The website also provides a growing number of case studies on international good practice in finance and investment mobilisation.

Online digital analytical pieces include notably:

- Case studies: assessment of success factors and financing for low-carbon hydrogen projects (2023)
- Case studies: available financing instruments to decarbonise industry in emerging and developing economies forthcoming (2023)
- Case studies: Blended finance supporting private investment in clean energy (2023)
- Series of stakeholder dialogues on priority action areas to unlock financing from industry and hydrogen (2023)



Publications

- Distributed renewable energy in **Colombia**: Unlocking private investment for non-interconnected zones (2023)
- Green hydrogen opportunities for emerging and developing economies: Identifying success factors for market development and building enabling conditions (2022)
- Clean Energy Finance and Investment Roadmap of **India** (2022)
- Framework for industry's net-zero transition: Developing financing solutions in emerging and developing economies (2022)
- OECD Blended finance guidance for clean energy (2022)
- Enabling conditions for bioenergy finance and investment in **Colombia** (2022)
- Clean Energy Finance and Investment Policy Review of **Viet Nam** (2021)
- Assessment of social discount rates and financial hurdle rates for energy system modelling in **Viet Nam** (2021)
- Clean Energy Finance and Investment Policy Review of **Indonesia** (2021)
- Financing cost impacts on cost competitiveness of green hydrogen in emerging and developing economies (2023)
- Financing solutions to foster industry decarbonisation in emerging and developing economies (2023)
- Clean Energy Finance and Investment Roadmap of the **Philippines** (2024)

Forthcoming publications

- Clean Energy Finance and Investment Roadmap of **Thailand** (Q2 2024)
- Net-zero transition of the industry sectors in **Egypt, Indonesia, South Africa** and **Thailand** (2024)

For more information:



www.oecd.org/cefim

Contacts: CEFIM@oecd.org
 Geraldine Ang, CEFIM Lead, geraldine.ang@oecd.org
 Deger Saygin, CEFIM Industry Lead, deger.saygin@oecd.org



@OECD_ENV



OECD Environment



© OECD, January 2024