

STATEMENT RENEWABLES IN EMERGING & DEVELOPING MARKETS

ENABLING INVESTMENTS AT SCALE

Thursday, October 6th, 2022, Abu Dhabi, United Arab Emirates –One Planet Sovereign Wealth Fund’s and its companion asset manager and private equity fund initiative 46 CEO members representing the world’s leading sovereign wealth funds, asset managers and private markets investment identify solutions to scale private sector financing of Renewable Energy projects in emerging and developing markets.

Investing in renewable energy in emerging and developing economies (EMDEs) constitutes a massive investment opportunity from the triple perspective of impact, risk and return. Reducing carbon emissions in these countries while meeting rising energy demand will require significantly scaling-up private sector engagement and is critical to align with the goals of the Paris Agreement.

Accessing these markets is often challenging for investors due to individual projects in many jurisdictions often being small, the regulatory environment being complex or non-standardized with insufficient repeat deal flow, and local markets often lacking conditions supportive of foreign direct investment.

Many OPSWF Network members are already providing large amounts of private sector financing to renewables in EMDEs; many more billions of dollars in private investments towards low-carbon and climate adaptation strategies could be channeled if the appropriate enablers are put in place.

In an executive brief released today, Network members highlight four such priority enablers: (1) transparent, repeat tendering programs, (2) improved conditions for international investors to participate, (3) better structured public private partnerships to mitigate risk where possible and (4) SWFs increased use of specialised investment teams that can facilitate the aggregation of deals. Additionally, advancing international standards for renewable projects and other sustainable infrastructure in EMDEs will reduce investment cost and contribute to a further acceleration of investments in this segment.

Members of significant scale across the OPSWF Network collectively have the ambition to increase their investments in renewables in EMDEs if the right policies and incentives are in place. Successfully addressing the priority enablers would not only open up further opportunities for Network members, but crowd-in increasing flows of other private sector financing.