

Eighteenth meeting of the Council
Abu Dhabi, 5-6 November 2019

Background Note

Renewables and the Climate Investment Platform

1. Accelerating the global energy transition requires a significant increase of investments in renewable energy and energy efficiency which, combined with rapid electrification, have the potential to achieve over nine tenths of the energy-related emission reductions needed to meet global climate objectives. According to IRENA analysis in the [*Global Energy Transformation: A Roadmap to 2050 \(2019 edition\)*](#), annual renewable energy investments for the next decade need to double from around USD 330 billion to nearly USD 750 billion per year until 2030. Creating a climate-safe system calls for USD 110 trillion worth of investments in the energy sector by 2050, compared to USD 95 trillion currently planned.
2. Enabling frameworks and ambitious national targets play a key role in spurring such investments. To this end, IRENA has developed (i) a comprehensive database on renewable energy targets and tracking progress towards their attainment, and (ii) knowledge products and capacity building initiatives in support of countries' enabling policy and regulatory frameworks. In addition, the Agency has also provided practical tools to develop bankable projects (Project Navigator) and to facilitate market transactions (The Sustainable Energy Marketplace and the Risk Assessment & Mitigation Platform) as well as access to affordable finance for renewable energy projects in developing countries (the IRENA-ADFD Project Facility).
3. Timely, objective and comprehensive data and analyses will remain vital underpinnings of informed decisions on ambitious, yet achievable targets. Increased work however will be necessary to translate this knowledge into a pipeline of projects and match them with necessary investment. Amplifying the Agency's work on investments, access to finance and increasing its impact on the ground and building partnerships with international finance and development institutions are essential. In this context, IRENA, the United Nations Development Programme (UNDP) and Sustainable Energy for All (SEforAll) in coordination with the Green Climate Fund (GCF) announced the Climate Investment Platform on 22nd September 2019 on the occasion of the Climate Action Summit convened by the UN Secretary-General.
4. Going forward, IRENA will scale up its efforts to support the creation of enabling frameworks and catalyse investments. IRENA is therefore partnering with international finance and development institutions to leverage respective competencies and resource and catalyse action on regional and sub-regional levels.
5. The Platform is an inclusive partnership with the objective to promote accelerated, transformative and scaled-up investments to support ambitious Nationally Determined Contributions (NDCs) and the pursuit of the Sustainable Development Goals. It will facilitate integrated and streamlined support to developing countries and emerging economies,

including with private sector engagement. The Platform aims to address both climate change mitigation and adaptation, with an initial focus on the energy transition. The Platform is a well-articulated, country-driven, proactive and agile partnership, open to interested countries and institutions. IRENA and its partners are committed to working together to take it forward.

6. The Platform is structured around four key Tracks (i.e. building blocks), with each Track providing a distinct offer to address a key step of the climate investment value chain:

Track 1 (targets) to support countries in articulating their energy targets in the context of their NDCs and in raising their level of ambition with a view to reducing emissions from the energy sector.

Track 2 (policies & regulations) to provide support for well-designed and implemented national policies and regulations to scale-up investments in sustainable energy.

Track 3 (financial de-risking) to facilitate access to de-risking instruments to ensure bankability of sustainable energy projects.

Track 4 (marketplace) to provide a one-stop portal for financial and commercial solutions.

7. To further facilitate sustainable energy investments, IRENA has also become a founding member of the Solar Risk Mitigation Initiative together with ESMAP (World Bank), Agence Française de Développement (AFD) and the International Solar Alliance (ISA). This initiative, which was also presented on the occasion of the United Nations Climate Action Summit 2019, will mobilise private capital in solar energy through an e-auction platform, risk mitigation initiatives and actions to create an enabling environment for such investments. The initiative will be linked with the *Climate Investment Platform* to build potential synergies.
8. IRENA will make a concerted effort to catalyse action on the ground towards creating frameworks that are more conducive to renewable energy investments. It will engage diverse stakeholders from the governments, multilateral and regional development banks, financial institutions, private sector and development partners. *IRENA Forums*, a new avenue to streamline the Agency's work and convene stakeholders to catalyse investments, will be tailored to the specific needs and priorities of each region and mirror the tracks of the *Climate Investment Platform*. The growing number of partners in the Platform will play a central role in supporting IRENA's objective of enabling action on the ground.

Objective of the session

9. The objective of this session is to provide information on recent developments in the Agency's work on renewable energy investments and finance, including through recent partnerships announced, and to obtain feedback on the approach.

Guiding questions

- How critical is investment facilitation in accelerating the transformation of global energy systems?
- How can IRENA further strengthen its collaboration with international finance and development institutions through innovative partnerships and concrete action in support of realisation of renewable energy projects?

- What are the challenges and opportunities facing the Agency as it seeks to step up its work to accelerate and scale up sustainable energy investments, particularly at the regional and sub-regional levels?

Associated Publications

- [Transforming the Energy System – and Holding the Line on Rising Global Temperatures](#) (2019)
- [Global Energy Transformation: A Roadmap to 2050](#) (2019)
- [Climate Investment Platform](#) and [Press release](#)
- [Solar Risk Mitigation Initiative](#)