

Leveraging Result-Based Payments to attract Private Sector Investment?

- Who is the “private sector” in this example?
 - risk taking financing investors
 - implementing operators to deliver the “results” on the ground
- Who is the “payor” of the results-based payments?
 - Carbon Fund
 - Donor Countries
 - GCF
 - Others?
- Who is the recipient of the payments?
 - national-level sovereign
 - sub-national government

Leveraging Result-Based Payments to attract Private Sector Investment?

- What is the time period between activities on the ground and receipt of payment?
- Who funds the activities on the ground in the interim?
- Who undertakes the activities on the ground over the long-term?

Leveraging Result-Based Payments to attract Private Sector Investment?

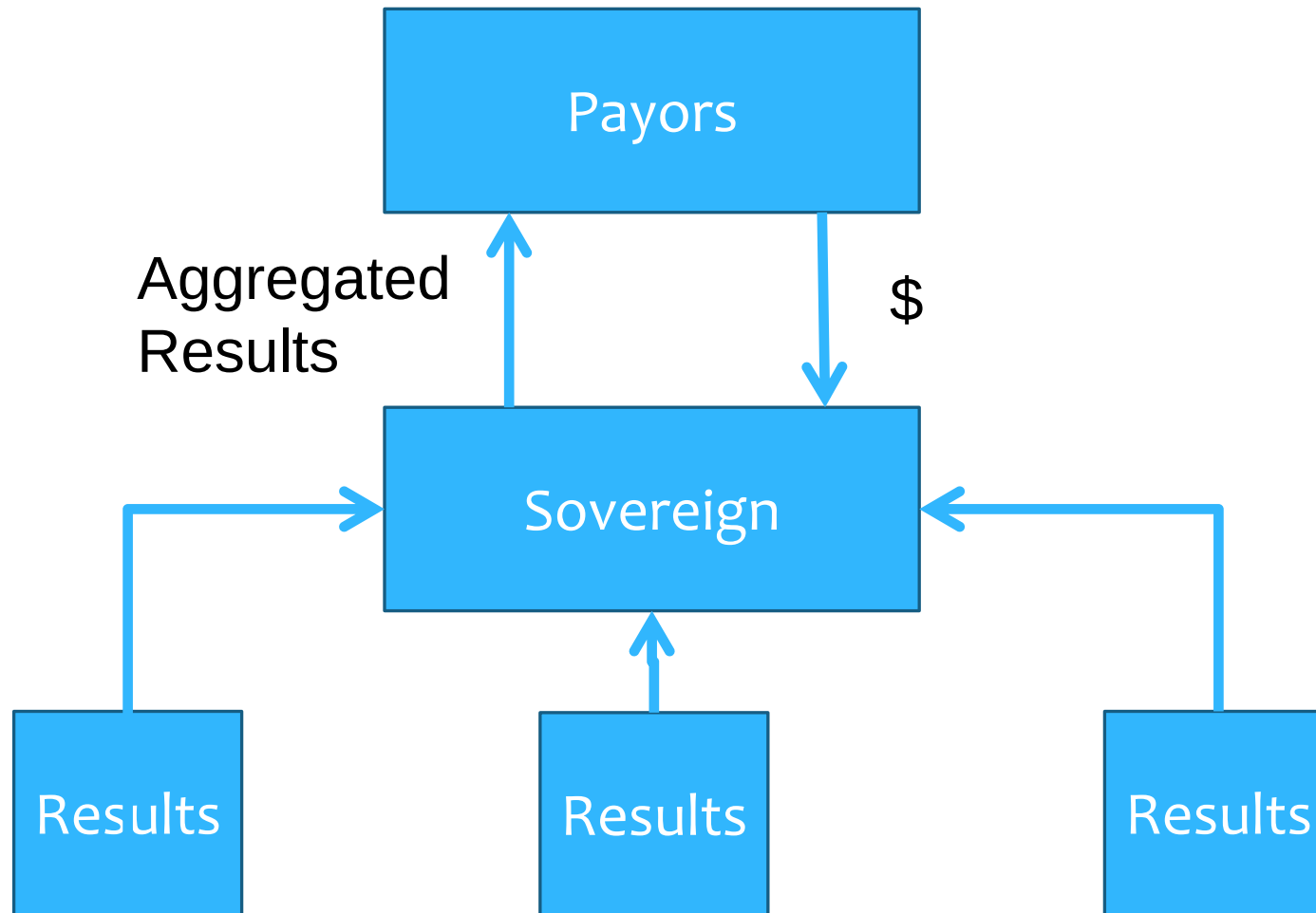
- Investors Look for Risk-Adjusted Return
- Different investors have different risk appetite
- Large scale institutional investors expect lower risk for predictable, lower returns
- Other investors will take on more risk, but require greater returns over shorter time periods

Leveraging Result-Based Payments to attract Private Sector Investment?

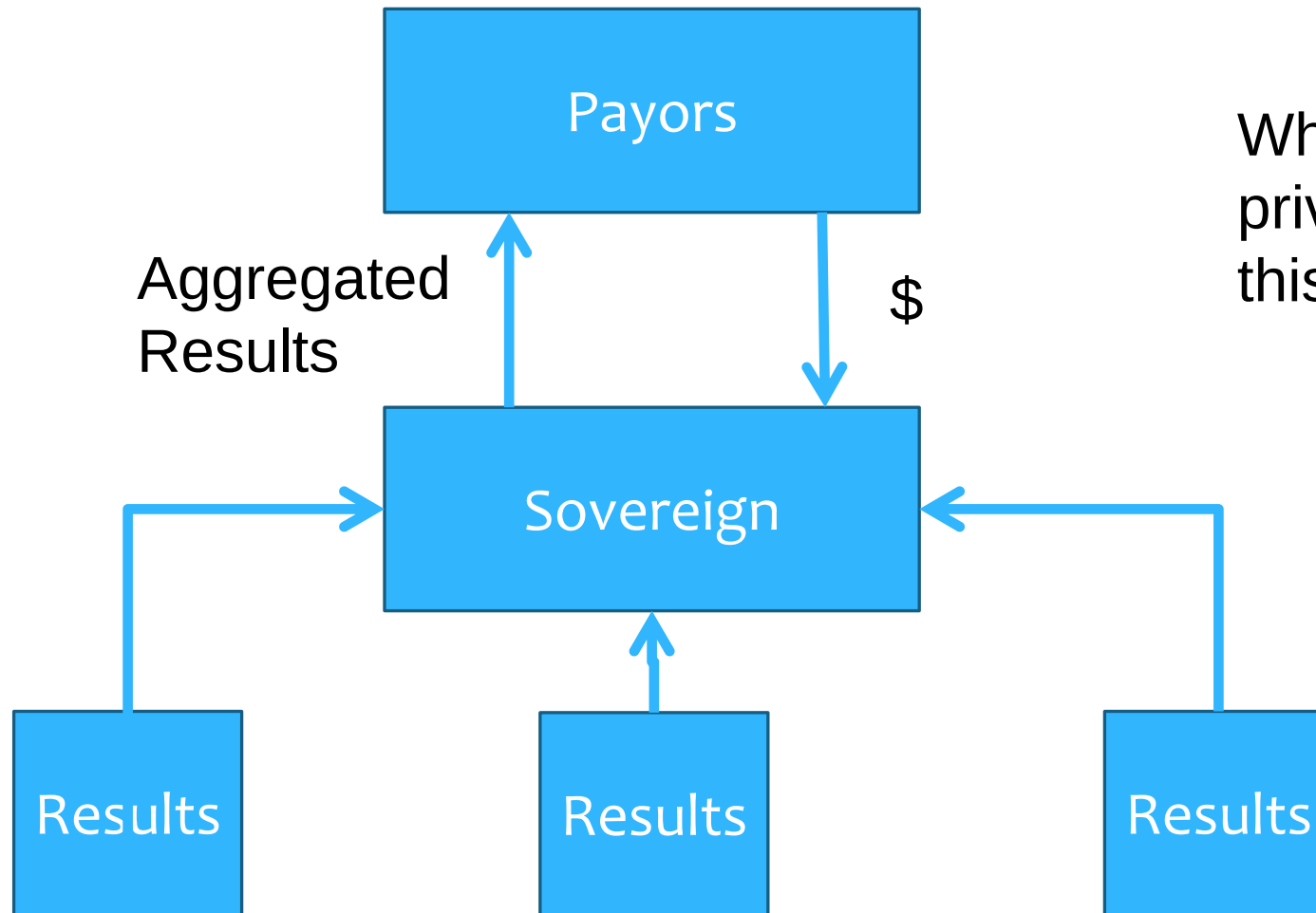
Key Risks That Need To Be Managed For Private Investment

- Counterparty
- Enforceability of Contract
- Performance
- Policy/Political/Change in Law
- Currency
- Route to Market/Liquidity
- Ownership of “results”
- Land Tenure

Leveraging Result-Based Payments to attract Private Sector Investment?



Leveraging Result-Based Payments to attract Private Sector Investment?



Where does/could the private sector enter this structure?

Leveraging Result-Based Payments to attract Private Sector Investment?

Key Risks

- Counterparty
- Enforceability of Contract
- Performance
- Policy/Political/Change in Law
- Currency
- Route to Market/Liquidity
- Ownership of “results”
- Land Tenure

