The primary obstacles to the large-scale deployment of low carbon, climate resilient technologies are a lack of access to finance and a limited pipeline of bankable projects. The Private Financing Advisory Network (PFAN) aims to bridge the gap between investors and entrepreneurs. PFAN is one of few actors in the climate finance space addressing the barriers to success for small and medium enterprises (SME) in developing countries and emerging economies – a shortage of bankable projects on the demand side and difficulties assessing risks and a conservative lending culture on the supply side.

PFAN:

- Sources projects and funding from the private sector
- Screens business plans for investment readiness and financeability
- Selects projects that are economically viable, as well as environmentally and socially beneficial
- Provides technical assistance to support project development and facilitate finance
- Builds the capacity of project developers and financiers
- Provides access to clean energy businesses and financial institutions through the PFAN network
- Provides feedback to policy makers on constraints encountered and opportunities with respect to creating enabling environments
PFAN is one of the few actors in the climate finance space addressing key barriers for SMEs in developing countries and emerging economies.

Demand
- Oversupply of poorly structured projects
- Lack of financial & commercial skills
- Limited supply of investor ready projects/
  Limited investment readiness

Supply
- Large Financing Supplies
- Underdeveloped investment cultures and risk assessment
- Low familiarity with technologies & business models

PFAN Objectives
- Unlock frontier markets for climate-friendly technologies
- Create financial service ecosystems
- Capacitate businesses to develop bankable projects
- Mitigate investor risk with increased project quality and knowledge
- Facilitate project-to-finance matchmaking
- Aggregate pipeline of projects for wholesale investment
- Collect and promote best practices; replicate promising business models

PFAN Pipeline and Results
PFAN has raised total financing of $1.24 billion, which is being used to build, install and operate 741 megawatts (MW) of clean power for 100 projects across Africa, Asia and Latin America (status as of Q4 2017). These projects – which include solar and wind farms, biomass and biogas power plants, small hydro generation, decentralized renewable energy mini-grids for underserved areas, and distributed energy service companies – together represent over 2.6 million tonnes of CO₂ that would otherwise be released into the atmosphere annually.

PFAN’s work in climate finance reduces greenhouse gas emissions, promotes adaptation to climate change, and contributes to achieving the goals of the 2016 Paris Agreement on climate change - including mobilizing USD 100 billion per year of private and public financing globally by 2020 - and the 2030 Agenda for Sustainable Development, especially Sustainable Development Goals 7 (energy), 9 (industry), 13 (climate action), and 17 (partnerships).
Global Map of PFAN Operations

Latin America Network

Africa Network

Dedicated country network

Network under construction

Regional network
PFAN Model
PFAN matches private financing with innovative low carbon, climate resilient projects in developing countries and emerging economies through a low-risk, low-overhead networking model based on fixed-fee project development, transaction advisory services, and investor forums. These services are offered at no cost to selected projects and entrepreneurs. PFAN thus addresses a need that is widely recognized in international development and climate circles. The median investment leveraged for projects is USD 10 million.

Strategic Partnerships
To provide a full pipeline sourcing service, PFAN combines its project development and finance matchmaking with complementary activities, networks and the capacity of strategic partners which address the enabling and policy environment; promote innovation; fund technical, impact and feasibility studies; and can offer PFAN implementation platforms in countries and regions. PFAN's screening and identification of bankable projects creates a high-quality pipeline of financeable projects for investment by private investors, multilateral climate and environment funds, and development banks. The technical assistance provided for project development helps ensure this funding leads to successful investments that support climate change mitigation and adaptation and achieve other development benefits.

PFAN Value Added
By leveraging private sector investment with a small amount of public funding (leverage rate of USD 80-100 for every USD 1 of donor funds), PFAN addresses the barriers to finance for SMEs and builds capacity of local financial institutions to engage with the low carbon, climate resilient technology sector.

Under the new hosting arrangement with UNIDO in collaboration with REEEP, PFAN’s impact will be scaled by a factor of two to five by 2020. To achieve this, PFAN is increasing its institutional capacity, strengthening existing country and regional networks, and expanding the network to new countries. PFAN is also investigating bundling and securitisation strategies to gain access to wholesale capital markets.

Opportunities for Engagement

- Become a donor and member of the Steering Committee to guide PFAN’s future
- Offer a strategic partnership to help PFAN expand its services, pipeline, and implementation capacity
- Become an investment partner to access PFAN’s project pipeline
- Become a network member as a mentor/coach
If your project is based in a low- or middle-income country, expands the use of low-carbon, climate resilient technology and is seeking investment of USD 1 – 50 million (under USD 1 million considered in some cases) then please visit www.pfan.net to learn how to submit a proposal.

Please visit www.pfan.net or contact us to discuss how you can access PFAN’s pipeline of high potential, investment-ready projects. PFAN can also provide development support to projects in your investment pipelines.
Hosting arrangement

PFAN is hosted by the United Nations Industrial Development Organization (UNIDO) in collaboration with the Renewable Energy and Energy Efficiency Partnership (REEEP).