

Renewable Energy Strategy in Emerging Markets

Achieving triple impact



Strategy characteristics

Number of projects

13 projects and 2 impact funds

Geography

Emerging and frontier markets

Technologies

Solar, wind, hydro and other proven technologies in energy storage and efficiency

Instruments

Senior project finance debt, private equity in energy transition funds

Investee ticket size

USD 5-20 million

Tenor

10-15 years

Partners

Development Finance Institutions, Multilateral Institutions and likeminded investors

Impact

Facilitate the energy transition in emerging markets as well as stimulating social and economic development

More impact data in our 2019 Impact Report



Sustainable Development Goals:



The reference for this publication is 31 December 2019.

Investment rationale

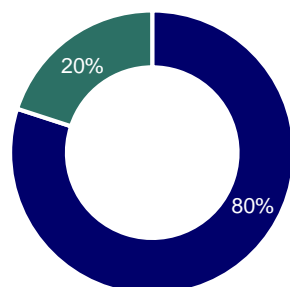
By investing in renewable energy in emerging countries, we stimulate social and economic development and contribute to mitigating climate change, achieving triple impact. Supply and demand developments provide ample investment opportunities.

It is expected that between 2012 and 2030 the strongest growth in power demand will come from non-OECD countries, due to population growth, economic development and current electricity deficits. Whereas the natural conditions for wind and solar energy are excellent in many of these countries, the actual share of wind and solar energy in their total power production mix is still very low. At the same time, declines in equipment costs, along with innovative business and financing models, are transforming access to energy in some of the world's least developed nations. For most countries, the cost benefit of replacing fossil fuels by renewable energy in electricity generation is therefore obvious.

Target portfolio construction

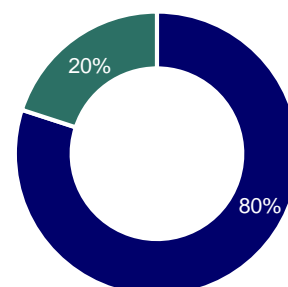
Triodos Investment Management aims to build a portfolio of solid and well-spread investments in the renewable energy sector in emerging markets with attractive risk-adjusted returns.

Target asset allocation



- Debt
- Equity in energy transition

Target segments



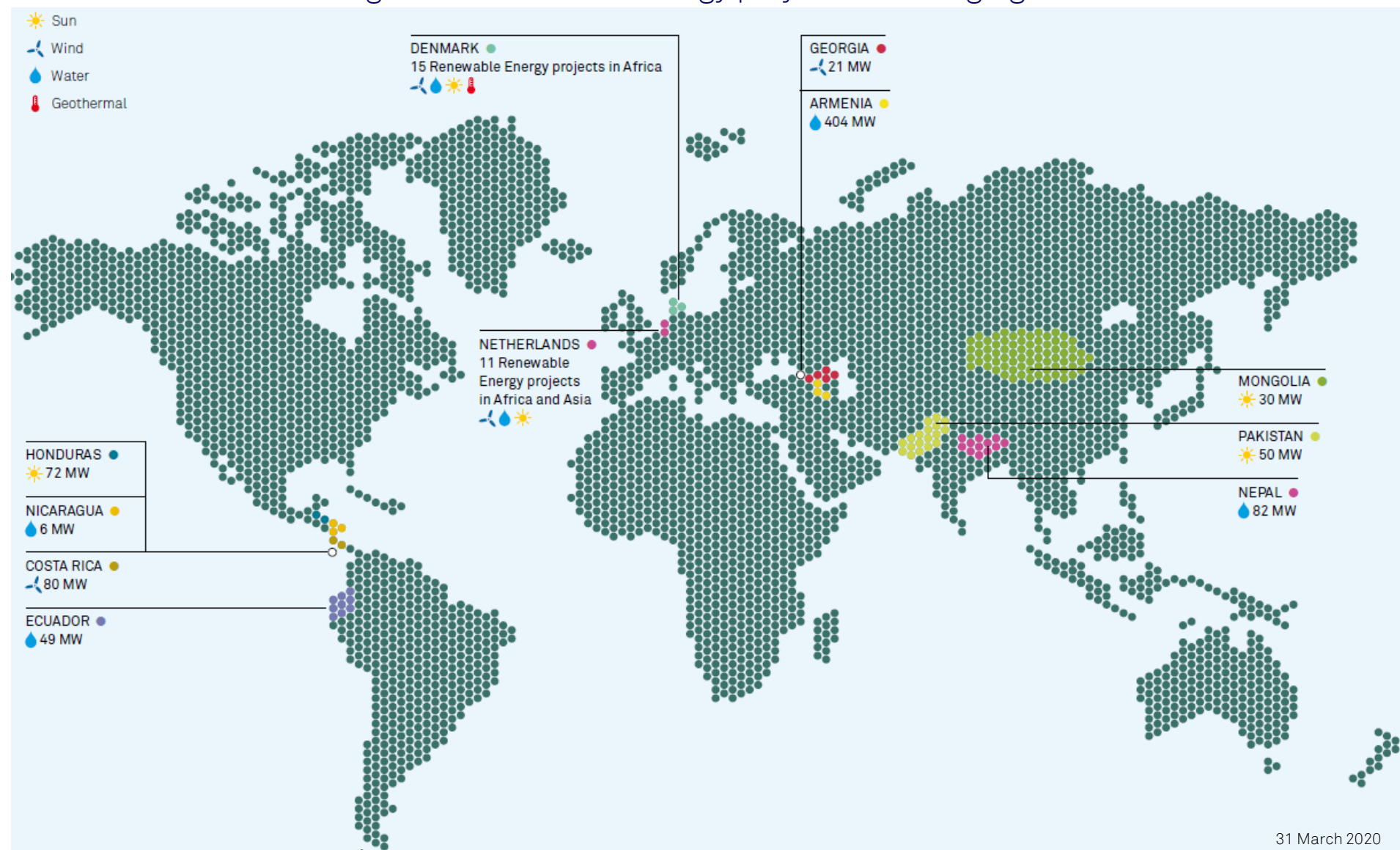
- Utility-scale and Commercial & Industrial
- Energy transition funds, green financial institutions, mini-grids



“Demand for power is growing fast in emerging countries. By setting up green power projects, we demonstrate that sustainable energy is a suitable option and valuable addition to the power mix of a country.”

Gerrit-Jan Brunink
Senior Investment Officer

Triodos Investment Management renewable energy projects in emerging markets



This wind farm Lake Turkana in Kenya, initiated by Dutch entrepreneurs, comprises 365 Vestas wind turbines. With a capacity of around 310 MW, the wind farm adds around 17% of capacity to the national grid in Kenya. African Development Bank is the development partner of Triodos IM in this project.



Gharo is the 50 MW operational solar plant in the south of Pakistan. The combination of lower investment costs and high energy production, enables the project to offer a very competitive energy tariff. Triodos IM is involved in this project together with the Dutch Development Bank FMO.



Qartli is a wind farm in Georgia with a capacity of 21 MW. The project reduces Georgia's dependency on energy imports from Russia and sets an example, being the first of its kind in the country. Triodos IM partnered with European Bank for Restructuring and Development.

Triodos Investment Management - Energy and Climate

- > Has been investing in renewable energy projects in Western Europe for over 30 years. Triodos has dedicated renewable energy teams in several European countries and a specialized team at our home base in the Netherlands focusing on renewable energy in emerging markets.
- > Established the first green fund in the Netherlands.
- > A worldwide pioneer in renewable energy, first entrant in wind, solar, batteries and now hydrogen investments in Europe.
- > Together with Triodos Bank headed the Clean Energy Pipeline Global League Tables, for carrying out the largest number of sustainable energy deals in the world, in 2015, 2016, 2017 and 2018. In 2018 Triodos Investment Management and Triodos Bank carried out a total of 78 transactions.
- > Over 25 years of experience in Emerging Markets. A team of 40 experienced and dedicated professionals across 17 nationalities.

Interested? Contact us:

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