

NDC Private Sector Engagement Project

# Engaging private sector in NDC implementation - Assessment of private sector investment potential in the energy sector

EXECUTIVE SUMMARY

## ABOUT UNDP

UNDP's work on climate change spans more than 140 countries and USD \$3.7 billion in investments in climate change adaptation and mitigation measures since 2008. With the goal to foster ambitious progress towards resilient, zero-carbon development, UNDP has also supported the implementation of the Paris Agreement on Climate Change by working with countries on achieving their climate commitments or Nationally Determined Contributions (NDCs).

## THE UNDP NDC SUPPORT PROGRAMME

The NDC Support Programme provides technical support for countries to pursue a “whole-of-society”, integrated approach that strengthens national systems, facilitates climate action and increases access to finance for transformative sustainable development. The programme helps countries address these financial barriers by deploying a structured approach for scaling up sectoral investments and putting in place a transparent, enabling investment environment. Beyond direct country support, UNDP facilitates exchanges and learning opportunities on NDC implementation at the global and regional level by capitalizing on our close collaboration with the UNFCCC and other strategic partners. The Programme, which works in contribution to the NDC Partnership, is generously supported by the German Federal Minister for the Environment, Nature Conservation, and Nuclear Safety (BMU), the German Federal Ministry of Economic Cooperation and Development (BMZ), the European Union and the Government of Spain.

## ACKNOWLEDGEMENTS

### Contributing Authors:

Samuel Alterescu, Deloitte Tohmatsu Financial Advisory LLC  
Mélissa Lemière-Soda, Deloitte Tohmatsu Financial Advisory LLC  
Raymond Caguioa, Deloitte Tohmatsu Financial Advisory LLC

### Reviewers:

Catherine Diam-Valla, UNDP  
Ryo Tsujimoto, Deloitte Tohmatsu Financial Advisory LLC  
Félicia Djibo, Deloitte Côte d'Ivoire

### Technical oversight and guidance:

Alexandra Soezer, UNDP

### Technical support and contributions:

Louis Nunes Da Costa, UNDP

### Editor:

Leah Brumer

### Produced by:

Deloitte Tohmatsu Financial Advisory LLC

### The Guidance Note should be cited as:

United Nations Development Programme (2020). Engaging private sector in NDC implementation - Assessment of private sector investment potential in the energy sector - Côte d'Ivoire, UNDP, New York

### Design and layout:

Jason T Quirk

### Disclaimer

The views expressed in this publication are those of the author(s) and do not necessarily represent those of the United Nations, including UNDP, or the UN Member States.

### Photo credit:

©Jennifer A Patterson, ILO

# EXECUTIVE SUMMARY

Transforming Nationally Determined Contributions (NDCs) into tangible actions that lead to long-term zero-carbon and climate-resilient development requires financing. Access to finance is fundamental to realize the objectives set by the NDCs. However, countries continue to face challenges in securing the financial resources needed to achieve their NDC targets. The private sector is expected to provide a significant share of the financing required.

To increase private investments in NDC targets, it is important that the private sector stakeholders engaged in markets and industries understand the business environment, current market and investment potential in specific sectors.

This report estimates the private sector investment potential for delivering NDC sectoral targets for the energy sector in Côte d'Ivoire through assessments of the country's NDC targets, enabling environment, current market, and investment potential.

## GREENHOUSE GAS EMISSIONS AND CLIMATE TARGETS

Côte d'Ivoire is a relatively low emitter of GHG emissions, with only 0.81 tCO<sub>2</sub>/inhabitant (excluding forestry). However, the country is highly vulnerable to climate change impacts, as its economy mainly relies on agriculture, which is a climate-sensitive sector. Mitigation actions are required to reduce GHG emissions, which are projected to increase due to Côte d'Ivoire's growing population and economy. In 2012, its GHG emissions totaled about 18.4 million tons of carbon dioxide equivalent (MtCO<sub>2</sub>e). Côte d'Ivoire's GHG emissions come primarily from the energy and agriculture sectors, representing 59 percent and 31.3 percent of total 2012 emissions, respectively. Under a BAU scenario, its GHG emissions are expected to almost double over 18 years, from 16 MtCO<sub>2</sub>e in 2012 to 34 MtCO<sub>2</sub>e in 2030. The largest absolute growth in emissions is expected to be in the electricity production and transport sectors. The energy sector is thus an important sector for Côte d'Ivoire in reaching its climate mitigation goals.

Côte d'Ivoire submitted its Intended Nationally Determined Contribution (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in September 2015. It includes both mitigation and adaptation components. Côte d'Ivoire plans to reduce its development-related carbon footprint by giving priority to mitigation options with high co-benefits, strengthening its climate resilience, establishing coherent sectoral policies, strengthening its mechanism to achieve the objectives, and leveraging the relevant financial resources (both national and international). The national target is to reduce emissions by 28 percent below BAU by 2030, focusing the mitigation actions on the energy, agriculture, waste and LULUCF sectors.

Côte d'Ivoire has set an ambitious target to produce 42 percent of its energy from renewable energy sources by 2030. To meet this target, its NDC identifies the following policy actions in the energy sector, including transport.

### Mitigation actions in the energy sector to achieve NDC mitigation goals

FOCUS	SUBSECTORS	MEASURES/ACTIONS
CONTROL SYSTEMS' ENERGY CONSUMPTION THROUGH A PROACTIVE ENERGY EFFICIENCY POLICY THAT INCLUDES RENEWABLE ENERGY	Cross-cutting	Invest in energy efficiency and increase the share of renewable energy in the electricity mix by 2030
		Implement an institutional and regulatory framework for renewable energy and energy efficiency
		Strengthen Côte d'Ivoire's integration into the regional energy market through interconnection with neighbouring countries
	Industry	Implement a strategy to reduce waste in industries' energy consumption by: <ul style="list-style-type: none"> <li>Analysing energy audits to assess energy consumption and uses</li> <li>Counting to provide reliable and continuous data about consumption</li> </ul>
		Encourage companies to invest in energy efficient equipment
		<ul style="list-style-type: none"> <li>Evaluate the potential for substitution or optimization (cogeneration or valorization)</li> </ul>
Buildings	Develop a national regulation on building thermal efficiency	
	Train actors in the value chain in low-consumption construction	

FOCUS	SUBSECTORS	MEASURES/ACTIONS
	Transport	<p>Improve mobility and develop low-carbon transport offers</p> <p>Integrate the energy/climate dimension in territorial planning documents to limit distances, improve functional mix and propose efficient public transport policies</p> <p>Support municipalities to develop urban transport plans (such as Abidjan urban train)</p> <p>Facilitate the purchase of low-polluting vehicles and the disposal of the most polluting ones by implementing standards, incentives or obligations</p>
<b>DEVELOP ENERGY PRODUCTION BASED ON RENEWABLE SOURCES</b>	Renewable energy	<p>Implement an incentive framework for the development of renewable energy (including tenders, FIT and tax exemption)</p> <p>Remove barriers to investment (including by strengthening the institutional framework, securing investments and training banks)</p> <p>Invest in R&amp;D and strengthen IREN's capacities and assess the opportunity to create a renewable energy promotion agency</p> <p>Facilitate the development of projects in the relevant sectors:</p> <ul style="list-style-type: none"> <li>• Small hydroelectricity</li> <li>• Methanization (including waste and agricultural residues)</li> <li>• Photovoltaic (promotion of PV solar kits, PV pumping system)</li> <li>• Biomass (sustainable exploitation of fuelwood)</li> </ul>

In addition to its NDC, Côte d'Ivoire also has ambitious targets for the energy sector, particularly in renewable energy and energy efficiency subsectors. The National Renewable Energy Action Plan (NREAP) lists targets for the renewable energy subsector. They include: increasing renewable energy installed capacity to 3,259 MW; increasing the percentage of the rural population using off-grid electricity from renewable energy sources from zero to 2 percent; and providing 90 percent of population access to modern alternative cooking energy by 2030. Aligned with the NDC, these targets provide opportunities or entry points for private sector investment in the renewable energy subsector, especially for on-grid renewable energy.

## ENABLING ENVIRONMENT

The existence of an enabling policy environment, including related legislation, laws, programmes and plans, is crucial for any country to achieve its sustainable development targets. Côte d'Ivoire has developed a wide range of policies related to climate change and energy, emphasizing the need to involve the private sector in the process. This is highlighted in overarching national policies, such as the country's vision for 2040 and its National Development Plan 2016-2020.

### CLIMATE-CHANGE RELATED POLICIES

Côte d'Ivoire's climate change policies are led by its National Strategy for Combatting Climate Change, its INDC, its Third National Communication to the UNFCCC and its First Biennial Update Report. The National Strategy was developed prior to the NDC and it does not yet reflect the country's commitment to climate action. The private sector is expected to be involved in the resource mobilization process for climate-related projects, especially for public-private partnership investments for both adaptation and mitigation.

### ENERGY-RELATED POLICIES

Côte d'Ivoire has developed a number of policies related to the overall energy sector. In addition to policies that guide the sector's development, such as Strategic Development Plan 2011-2030 (2011) and the electricity code (2014), the country developed a sectoral strategy for the development of renewable energies and energy efficiency in 2020. The latter defines the strategy up to 2030 for the development of renewable energies and energy efficiency in Côte d'Ivoire, and notes that incentives will be developed for private developers and that PPPs will be established.

Policies related to renewable energy development, such as the NREAP, are aligned with the NDC objective of 42 percent by 2030. The NREAP is completed by the action plan for off-grid electrification, which sets objectives for off-grid electrification and identifies the demand for off-grid investment in approximately 80,000 small villages, or 243 MW. In the energy efficiency sub-sector, Côte d'Ivoire's National Energy Efficiency Action Plan 2016-2020/2030 (NEEAP), adopted in 2016, aims to save more than 50 MW of energy annually from 2016 to 2030.

## **POLICIES RELATED TO PRIVATE SECTOR ENGAGEMENT AND INVESTMENT**

The public-private partnerships (PPP) regulations and the Investment Code provide additional support to increase private sector investment. The PPP regulations provide the overall framework for the development of PPP in the country, while the Investment Code provides several incentives, such as tax cuts in strategic sectors for foreign investment.

## **OVERALL BUSINESS ENVIRONMENT**

As in most countries since the COVID-19 epidemic began, Côte d'Ivoire's macroeconomic situation has worsened in 2020. Before 2020, the country experienced brisk economic growth in recent years, making it one of the fastest growing in the world. The government expect revenues to fall significantly while spending needs will increase to sustain the economy during the crisis. Côte d'Ivoire receives support from the International Monetary Fund (IMF) and has also developed its own recovery package. Real GDP is expected to contract in 2020, before making a partial recovery in 2021, with a more pronounced rebound from 2022 to 2024.

The ease of doing business and the enabling environment for cross-border and foreign investments are also important factors in investment decisions. Overall, the regulatory environment for foreign investments in Côte d'Ivoire is supportive. There is no discrimination against foreign-owned businesses. The Investment Code provides a favourable framework for investment, with incentives provided to foster investment in specific geographic areas and industries. Similarly, foreign investors have no obligation to invest in conjunction with local entities or to recruit local workers in general, but are encouraged to do so. There are no specific constraints on paying dividends to foreign investors, including in foreign currency.

While Côte d'Ivoire's economic outlook is not favourable, the country has already developed policies to foster private sector investment in the energy sector, and the regulatory framework provides favorable conditions for FDI and cross-border investment in the sector. Further developments in the energy sector are likely to follow economic recovery, which will resume in 2022, but is expected to remain lower than pre-pandemic forecasts.

## **CHALLENGES, RECOMMENDATIONS AND POTENTIAL FOR PRIVATE SECTOR INVESTMENT IN THE ENERGY SECTOR**

Investment in Côte d'Ivoire's energy sector is constrained by a number of barriers and challenges. The sector is divided among several ecosystems, composed of different value chains.

### **RENEWABLE ENERGY**

The renewable energy ecosystem is focused on on-grid utility scale power generation, commercial and industries (C&I) customers, and solar home PV (SHS market).

IPPs and developers have already made significant investments in on-grid utility scale power generation. Côte d'Ivoire was one of the first countries in sub-Saharan Africa to privatize its electricity sector and introduce IPPs as early as the 1980s. Payment to IPPs is guaranteed as they are the first in line in a waterfall structure payment order. Additionally, the private sector is expected to enter the hydropower generation market, with several memoranda of understanding signed between the government and private developers for hydropower projects. Projects in biomass, solar power plants and floating solar are also planned and developed in the country. A number of developers and service providers, including asset-based lending providers, also serve the SHS market.

The development of the market is mainly constrained by the following gaps and challenges:

### **LACK OF INSTITUTIONALIZED PROCEDURES AND POLICIES SPECIFIC TO RENEWABLE ENERGIES**

The lack of institutionalized procedures and policies specific to renewable energies is a shared challenge to all renewable energy producers. Both solar PV and biomass generation must negotiate PPAs directly with the Ministry on a case-by-case basis. No FIT, dispatch obligations or other incentives are currently available. The Government's plan to develop its energy-installed capacity, focusing on hydropower and biomass power plants, emphasizes the need to implement detailed rules to speed the procedures and improve their efficiency.

#### RECOMMENDATION AND POINT OF ENTRY 1

##### **Establishing institutionalized procedures and policies specific to renewable energies**

To support further investments in on-grid renewable energy, the Government should implement institutionalized procedures and policies to support further IPP involvement. Côte d'Ivoire could implement clear and detailed supporting instruments, such as FITs, FIPs and auctions, to encourage IPPs to develop renewable energy projects and decrease their risks.

#### LACK OF FINANCING STRUCTURES AND INCENTIVES FOR OFF-GRID PROJECTS

A significant barrier to private sector investment in the off-grid subsector is the lack of incentives that can mobilize private sector investment in this field. This could be addressed by clarifying VAT and customs duties for SHS providers by publishing an information note that sets out the tax treatment of SHSs, especially when they are sold on credit. The Government could also establish customs duty reductions or waivers for SHS providers and quality-certified products for developers as a way to mobilize private sector investment in this field.

The industrial market offers significant potential for renewable energy production developers, especially for cacao and sugar factories, which are already developing biomass power plants for self-consumption. The cost of electricity for industries in Côte d'Ivoire is relatively high. The Government is conducting a feasibility study on waste-to-energy power plants, leveraging agricultural waste in this sector. However, Côte d'Ivoire has not adopted the implementing decrees that would allow private stakeholders to sell surplus energy to the grid. This constitutes a significant barrier when considering industrial use.

#### RECOMMENDATION AND POINT OF ENTRY 2

##### **Establishing net metering to support the development of renewable energy for industrial use**

To support further investments in on-grid renewable energy, the Government should implement institutionalized procedures and policies to support further IPP involvement. Côte d'Ivoire could implement clear and detailed supporting instruments, such as FITs, FIPs and auctions, to encourage IPPs to develop renewable energy projects and decrease their risks.

#### POTENTIAL FOR PRIVATE SECTOR INVESTMENT IN CLEAN COOKING

Under the NREAP, Côte d'Ivoire has set a target of 10 percent of the population using improved cooking solutions by 2030. Total investment of approximately \$4.6 million will be required over the next 10 years to reach the country's target. This represents a relatively high private sector investment potential, especially as households are expected to make most of the investment.

#### ENERGY EFFICIENCY

Côte d'Ivoire seeks to encourage energy efficiency measures in public buildings, households and industries by introducing standards. However, the ecosystem for energy efficiency measures, such as efficient lighting and appliances, is still nascent. There are no local manufacturers, so lights and appliances are imported. Demand appears to be limited in the current environment. At the household level, the cost of efficient appliances is a significant barrier, as it is often perceived as too high and unaffordable. Moreover, while the Government is developing energy efficiency standards and labels for appliances, they have not been implemented yet. Thus, the country lacks the incentives to encourage households and businesses to purchase efficient appliances.

#### RECOMMENDATION AND POINT OF ENTRY 4

##### **Providing energy efficient appliances at an affordable price**

In addition to government implementation of energy efficiency standards and labels for appliances, energy efficient appliances must be affordable if households are to replace their conventional ones. This can be achieved by developing a scheme allowing households to trade old, inefficient appliances for efficient ones with attractive rebates, thus reducing the initial investment cost for households.

In the long term, developing a manufacturing plant for energy efficient appliances in Côte d'Ivoire would also support the production of affordable equipment. In addition, it would enable private developers to reach additional markets in ECOWAS, which represents a market of 350 million people across 15 countries with free trade agreements in place.

## POTENTIAL FOR PRIVATE SECTOR INVESTMENT IN ENERGY EFFICIENCY

Côte d'Ivoire estimates the total investment required at \$95 million, with private sector investment accounting for 48.4 percent, or \$46 million.

## BRT AND TRANSPORT

Côte d'Ivoire has developed a strategy for the transport subsector to further advance implementation of low-carbon transport; specifically, a bus rapid transit (BRT) system. The main challenge to the low-carbon transport market (BRT system) is the dominance of the informal sector (including gbaka, metered taxis, woro-woro and inter-communal taxis), which accounted for more than 85 percent of mass transportation traffic in 2013. Therefore, private sector investment in the formal transport sector involves the risk of a relatively low rate of return.

### RECOMMENDATION AND POINT OF ENTRY 5

#### Scale up the programme supporting the renewal of the automotive fleet in Côte d'Ivoire

The FDTR, a public fund under the Ministry of Transport of Côte d'Ivoire, supports the modernization of the country's automotive fleet. Under the Abidjan Urban Master Plan, FTDR aims at introducing newer, better-performing taxis and mini-buses in Abidjan. To achieve this, the Fund provides two incentives: a financing support programme for financial institutions, which then make loans to transport companies, and a scrappage incentive/premium, which is supported by the World Bank. The FDTR's objective is to support the introduction of 2,000 new taxis and 1,000 mini-buses in Abidjan. Scaling up both components would allow further private sector investment in this sector.

## POTENTIAL FOR PRIVATE SECTOR INVESTMENT IN TRANSPORT

Three BRT lines are currently under planning or under consideration, for a total 230 km of new lines. The total investment required in BRT is estimated at \$6.1 billion, of which \$1.5 billion will come from the private sector.

The private sector investment potential in the energy sector is estimated at \$9.8 billion to \$10 billion, most of which will be leveraged from electricity generation. Private sector investment potential in the NDC target is summarized in the following table:

### Investment potential in the energy sector

SUBSECTOR		INVESTMENT POTENTIAL (US\$)	PERIOD
RENEWABLE ENERGY	On-grid	7.2 billion	Short to long term
	Off-grid	Between 537 million and 698 million	Medium term
CLEAN COOKING		4.6 million	Short to medium term
ENERGY EFFICIENCY		46 million	Short term
TRANSPORT		1.5 billion	Long term
<b>TOTAL</b>		<b>9.8 billion to 10 billion</b>	<b>N/A</b>

## ACCESS TO FINANCE

A limited number of institutions provide green financing and financing to Côte d'Ivoire's energy sector, including services to SMEs and consumer finance. Some players in Côte d'Ivoire's commercial banking sector are active in financing renewable energy and energy efficiency companies and/or consumers. Compared to neighbouring countries, Côte d'Ivoire's commercial banks provide more affordable rates, at less than 10 percent. However, banks provide relatively short-term financing and there is a limited supply of equity in the energy sector in Côte d'Ivoire.

Because banks perceive renewable energy and energy efficiency as high risk, only a limited number of financial products are available to the energy subsectors. Most local banks have a seven-year cap on the tenor of their loans because of

the risks involved. Thus, only a small number of projects requiring long-term capital and investment, including equity, are underway in Côte d'Ivoire and these must be sourced from abroad. This constrains the development of the energy sector in the country.

#### RECOMMENDATION AND POINT OF ENTRY 6

##### De-risking innovative social models

To further support innovation in energy access and other energy business models, adequate financing conditions should be offered to innovative enterprises. Social ventures and enterprises require capital early on to develop their business model, concept and prototypes and to grow at scale. This requires both financial and technical support.

Impact investment funds, such as Comoe Capital, are active in Côte d'Ivoire, but it provides only low entry tickets (less than \$500,000). Other VC and PE funds provide higher tickets (more than \$10 million). Thus, financing for pre-series A and series A level is lacking, which limits the industry's growth. It is also a significant deterrent for funds that target seed and early-stage enterprises, as there is no guarantee that they will be able to exit their investment without an off-taking investor at the next stage.

While financing is a significant challenge, it is first important to provide investors a bankable pipeline. Given the current environment, Côte d'Ivoire needs incubation and acceleration services to support entrepreneurs and innovation.

## REPORTING FRAMEWORK TO ALIGN BUSINESS OPPORTUNITIES WITH NDC IMPACT TARGETS IN CÔTE D'IVOIRE'S ENERGY SECTOR

Governments and international organizations engage the private sector to leverage stakeholder investments in the NDCs. The NDCs can offer the private sector additional business opportunities, but it is often unaware of these opportunities. It is therefore important to highlight and translate these in clear reporting frameworks, which the private sector can then leverage to enhance its understanding of the added value that climate investments bring.

A clear understanding of this alignment, or the extent to which it can align with NDC actions, offers the private sector potential advantages. First, it enables the sector to clearly identify actionable actions, which can be translated into business opportunities. The NDC and SDGs have been chosen as the main reporting framework for this report. Business opportunities in the energy sector identified in this report are linked to NDC objectives and SDG targets. A summary of the business opportunities and of corresponding climate and SDG frameworks is provided below (direct benefits in green, co-benefits in orange).

BUSINESS OPPORTUNITY	NDC/NREAP TARGET	SDG FRAMEWORK
<b>RENEWABLE ENERGY</b>		
Developing on-grid renewable energy power generation plants (IPPs)	Increase the share of renewable energy to 42 percent in the electricity mix by 2030	7 – Sustainable energy 13 – Climate action 3 – Good health 4 – Quality education
Providing renewable energy solutions to industries	Increase the share of renewable energy to 42 percent in the electricity mix by 2030	7 – Sustainable energy 9 – Innovation and infrastructure 13 – Climate action 3 – Good health
Providing SHS solutions to households and small industries/ SMEs	Increase the share of renewable energy to 42 percent in the electricity mix by 2030  Increase the share of rural population using off grid electricity from renewable energy sources to 2 percent by 2030	7 – Sustainable energy 1 – No poverty 9 – Innovation and Infrastructure 2 – No hunger 13 – Climate action 3 – Good health 4 – Quality education 5 – Gender equality



BUSINESS OPPORTUNITY	NDC/NREAP TARGET	SDG FRAMEWORK
<b>Illustrative metrics</b>	<p>Reduced cost of energy (US\$)</p> <p>Reduced need for diesel generators (liters of diesel used)</p> <p># and value of deals (US\$)</p> <p># and value of loans (US\$) provided by local financing organizations</p> <p>Direct carbon reduction achieved through installation of renewable energy capacity (tCO<sub>2</sub>e)</p> <p># of households with a SHS kit in rural areas</p> <p># of households with a SHS kit in urban areas</p> <p>Average capacity installed by household (W)</p> <p># of SMEs and other productive enterprises with SHS kit</p>	
<b>CLEAN COOKING</b>		
Manufacturing improved cook-stoves	Increase the share of population using improved cooking solutions to 10 percent by 2030	7 – Sustainable energy 13 – Climate action
Manufacturing LPG cookstoves	Increase the share of charcoal produced by efficient carbonization technologies to 16 percent by 2030	15 – Life on land 1 – No poverty
Manufacturing efficient fuels	Increase the share of population using modern alternative cooking fuels (LPG) to 90 percent by 2030	3 – Good health 5 – Gender equality
Distributing clean cooking solutions		4 – Quality education
<b>Illustrative metrics</b>	<p># of efficient stoves deployed</p> <p># of LPG stoves deployed</p> <p># of households serviced in rural areas for efficient fuel</p> <p>Volume of wood fuel/inefficient charcoal used for cooking decreasing (tons)</p> <p># and value of loans (US\$) (asset financing) developed directly by clean cooking solution providers (households)</p>	
<b>LOW-CARBON TRANSPORT SECTOR</b>		
Infrastructure development for BRT lines	Decrease GHG emissions by 28 percent by 2030, compared to BAU scenario	11 – Sustainable cities and communities 7 – Sustainable energy
Operation of BRT lines		13 – Climate action 3 – Good health
<b>Illustrative metrics</b>	<p># of lines</p> <p>Kms of BRT operational</p> <p># of users</p> <p>Decrease in personal vehicle traffic (# of vehicles per day)</p> <p># of standards and obligations implemented for vehicles</p> <p># of incentives implemented for the purchase of low-polluting vehicles</p> <p>Reduced use of fossil fuels for personal vehicles (litres of diesel used)</p> <p>Direct carbon reduction achieved through installation of BRT lines (tCO<sub>2</sub>e)</p>	

\*Additional SDG targets are developed for these opportunities in the main report.

## ASSESSMENT RESULTS AND CONCLUSION

Côte d'Ivoire has been implementing significant measures to achieve its objective to become an emerging economy by 2020. Côte d'Ivoire sets an ambitious target in its NDC: to reduce its GHG emissions by 28 percent by 2030, including generating 42 percent of electricity from renewable energy. The country focuses on the energy sector, as it produces the second-highest amount of emissions after agriculture and those emissions are expected to increase the most under the BAU scenario. The Government of Côte d'Ivoire has been implementing policies to develop an enabling environment to achieve the NDC targets, including in renewable energy, energy efficiency and transport. Côte d'Ivoire recognizes the importance of involving the private sector in the process and has developed policies to liberalize the energy market.

Although the macroeconomic outlook is less favourable due to the impact of the COVID-19 pandemic, there appears to be significant potential to achieve the on-grid and off-grid renewable energy generation targets, with a potential for

private sector investment of between \$7.8 billion and \$8 billion. Private sector investment could be further encouraged by supporting the development of clear institutionalized procedures and policies specific to renewable energies. This could include developing FITs and auctions, among others mechanisms, and could be based on international experience. Establishing net metering would provide additional incentives to the private sector to enter the C&I market and would also support the development of the biomass energy generation market.

The financial sector should strongly support private sector investment. Local financing is characterized by relatively short tenors and a limited supply of venture capital and impact investing. Financing conditions could be improved by strengthening the investment pipeline to attract potential investors by leveraging incubation services and integrating investment practices within incubation and acceleration services.

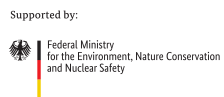
# UNDP NDC SUPPORT PROGRAMME

United Nations Development Programme (UNDP)

304 E 45<sup>th</sup> Street, New York, NY 10017

[www.ndcs.undp.org](http://www.ndcs.undp.org)

 @UNDPClimate



based on a decision of the German Bundestag

