SOUTH AMERICA

Venezuela

GDP: **$438.3bn**

Five-year economic growth rate: **6%**

Population: **30.1m**

Total clean energy investments, 2006-2013: **$322.5m**

Installed power capacity: **28GW**

Renewable share: **0.02%**

Total clean energy generation[7]: **115GWh**

Top energy authority: **Ministry of the People's Power for Electricity**

OVERALL RANKING 2014

54

OVERALL SCORE 2014

0.32

PARAMETER	RANKING	SCORE
I. Enabling Framework	55	0.11
II. Clean Energy Investment & Climate Financing	51	0.19
III. Low-Carbon Business & Clean Energy Value Chains	44	0.89
IV. Greenhouse Gas Management Activities	44	0.60

SUMMARY

Venezuela scored 0.32 to finish second-last (above only Suriname) among the 55 nations surveyed by Climatescope 2014. Given its power sector monopoly, high market risk and heavy reliance on large hydro and cheap oil generation, it comes as no surprise that the country ranked near the bottom in all four parameters assessed.

The country is one of the world's largest producers and exporters of crude oil. This is reflected in its high GDP ($408bn in 2013) and its power mix, which boasts 6.7GW of crude oil-fired generation capacity and 6GW of natural gas. It is also one of the world's biggest large hydro generators, with 14.5GW of capacity that represents more than half of its total 28GW of installed capacity. The nation's abundant hydro resources together with subsidies for oil-based generation leave little space for clean energy projects – the 64MW of installed renewable capacity represents just 0.2% of the national total.

Venezuela's state-controlled power sector and its general macroeconomic conditions have kept private players at arm's length. Venezuela has almost 100% grid-coverage and its electricity prices are heavily subsidized. In 2013, the average retail rate was $0.02/kWh, the lowest in Latin America and the Caribbean. Looking ahead, given the challenging macroeconomic and power sector scenario, renewables will have a tough time increasing its penetration.

For further information, access www.global-climatescope.org/venezuela

Climatescope 2014 Report by Bloomberg New Energy Finance
Multilateral Investment Fund part of the Inter-American Development Bank,
UK Department for International Development, Power Africa

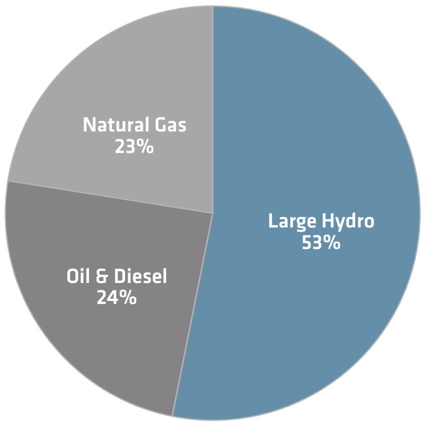
PARAMETERS AT A GLANCE

Venezuela was placed last out of the 55 countries assessed on Enabling Framework, Parameter I, reflecting the absence of clean energy regulations and lack of a policy framework to support the development of renewable power. There is only 38MW of wind and 26MW of solar capacity installed in the country, and a limited pipeline of projects.

The electricity sector is monopolized by the Corporación Eléctrica Nacional (CORPOELEC), a fully integrated state-owned corporation created in 2007 through the merger of several regional power companies. It controls generation, transmission and distribution, leaving no space for private players.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

28GW total installed capacity



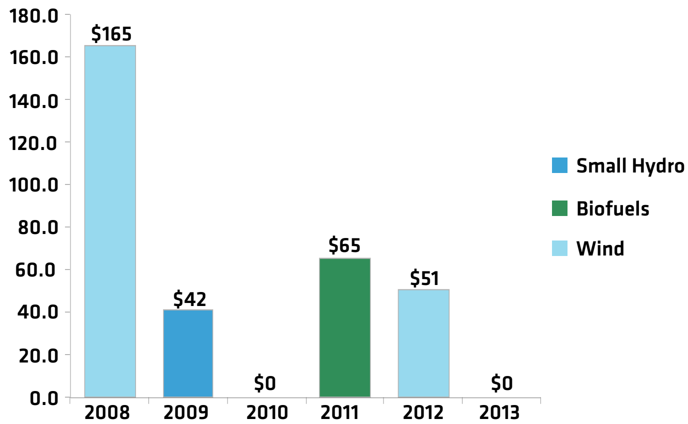
Source: Bloomberg New Energy Finance, Ministerio del Poder Popular para la Energía Eléctrica
Note: Some values cannot be graphically represented due to scale, please see source data for the complete numbers.

Venezuela ranked 51st on Clean Energy Investment Parameter II owing to the very low level of investment in clean energy and absence of active green microfinance institutions. Since 2006, $323m of asset finance has been recorded, with nothing captured during 2013. Moreover, the average cost of debt and swap rate were very high at 15.9% and 15.8%, respectively, in 2013, reflecting the high market risk.

On Clean Energy Value Chain, Parameter III, the country ranked 44th. While there are project developers active in the biofuel, small hydro and wind sectors, the role of private players is very limited. There is a small network of clean energy companies and just one financial institution that lends to clean energy projects.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2008-2013 ($m)

$322.5m total cumulative investment



Source: Bloomberg New Energy Finance
Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

Venezuela scored in just three out of 11 indicators assessed on GHG Management Activities, Parameter IV, taking 44th place globally. It was awarded marks for the potential of its carbon offsets and capacity-building; however, it did not register any corporate awareness of emissions reduction nor GHG market-based instruments.