

Best Practices in Green FDI Promotion

Navarra, A Holistic Institutional Approach

Geneva, 6 December 2013



Navarra and the Green Economy

- 20% share of energy consumption from renewable resources since 2009 (1 of 3 EU targets for 2020)
- Close to 40% of the electricity produced is exported



Today Renewables:

- Industrial network (100 companies)
- 5,000 jobs
- 5% of Regional GDP

Source: SODENA

A Long Term Vision with Milestones

1982

- First government subsidy policies for renewable energies

1984

- First energy consumption analysis carried out

1989

- Strategic Decision from Government to reduce dependency by using Renewables
- Energía Hidroeléctrica de Navarra (EHN) created with 38% equity from SODENA
- Small hydro power stations producing energy equivalent to over 10% of the region's electricity consumption

Source: CENER



A Long Term Vision with Milestones

1994

- **FDI as tool for technology transfer and spillovers**
- First wind park in Navarra, with 6 x 500 kW wind turbines
- **Creation of Gamesa Eólica: Sodena, Gamesa and Vestas as initial co-investors.**

1995

- **Objective, Diversification:** Approval of the 1995/2000 Energy Plan. Objective was set for 2000: installed capacity of 341 MW from different renewable energy sources

1999

- **Government improves “location offer” focusing on R&D and skills**
- CENER was born. Technology center specialized in applied research and in the development and promotion of renewable energy.
- Cutting-edge technological infrastructures, such as the Wind Turbine Test Laboratory, unique in the world
- Services to companies, public administrations and institutions worldwide



A Long Term Vision with Milestones

2000

- CENIFER : National Center for Training in Renewable Energies
- **First-ever initiative of its kind in Europe in professional training for this industry.**
- 5, 4 mio. EUR in seed capital
- More than 5.000 individuals formed

2003

- **Energy Plan easily fulfilled:** installed capacity 667 MW, (474 MW corresponded to wind power generation).
- Acciona Group took part of EHN shareholding. 100% in 2005.
- More than 50 companies active in several renewable energy fields.

2004

- **European Commission grants Navarra the award for best regional policy** to promote renewable energies.

Source: CENER



Translating into a Promotion Strategy

Improving the location attractiveness

- › Diversification in Renewables (from Hydro to Wind/Solar and Cleantech)
- › Government improves “location offer” focusing on R&D and skills
- › Improving local capacity to increase value added

SODENA

- Main instrument of the Government of Navarra for regional business development, contributing actively and significantly to its sustained and balanced development.
- A public limited company and it is a self-financing organization.
- Sodena focuses on:
 - Generating and developing local investment projects
 - Attracting FDI projects to the region
- Sodena may finance as co-investor business projects that create value to the region
 - Venture capital is the main financial product offered.
 - Current portfolio => € 320Mio. invested
 - => 129 different ventures (40 directly and 79 through 10 funds)

Source: SODENA



A Holistic Institutional Approach



RE Promotion

SODENA
DESARROLLO DE NAVARRA

 **Gobierno
de Navarra**



**Industry
& FDI**

SODENA
DESARROLLO DE NAVARRA

Technology

 **CENER** | CENTRO NACIONAL DE
ENERGÍAS RENOVABLES

Key factors:

- Good Strategic Plan
- Resource Analysis
- Good policy
- Industry involvement
- Attract FDI
- Training

**Technology
Applied R+D**

Source: CENER

Towards a Renewable Cluster: R&D, Manufacturing and Production

SODENA
DESARROLLO DE NAVARRA



FDI



Technology



CENER

CENTRO NACIONAL DE
ENERGÍAS RENOVABLES

Ingeteam



Jofemar

RÍOS
renovables



acciona
Energía



Gamesa

Fluitecnik



SNI ARTIA
TECH

Fotona

INDUSTRIAS
Laneko



JATORMAN

opde
GROUP

BARRANQUESA

frenos **irunā**brakes



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Source: CENER

Lessons Learned

- * Investment promotion embedded in a long term sector development plan is KEY
- * FDI lead generation strategy focused on concrete local business opportunities
- * SODENA as catalyst (loan/equity) has played a pivotal role
- * Building local capacity and linkages from the start
- * Need for constant upgrade of vision and strategy to meet new times



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Navarra and Investment Promotion

- Sodena is the main instrument of the Government of Navarra for regional business development, contributing actively and significantly to its sustained and balanced development.
- Constituted in 1984 as a public limited company and it is a self-financing organization.
- Sodena focuses on:
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