

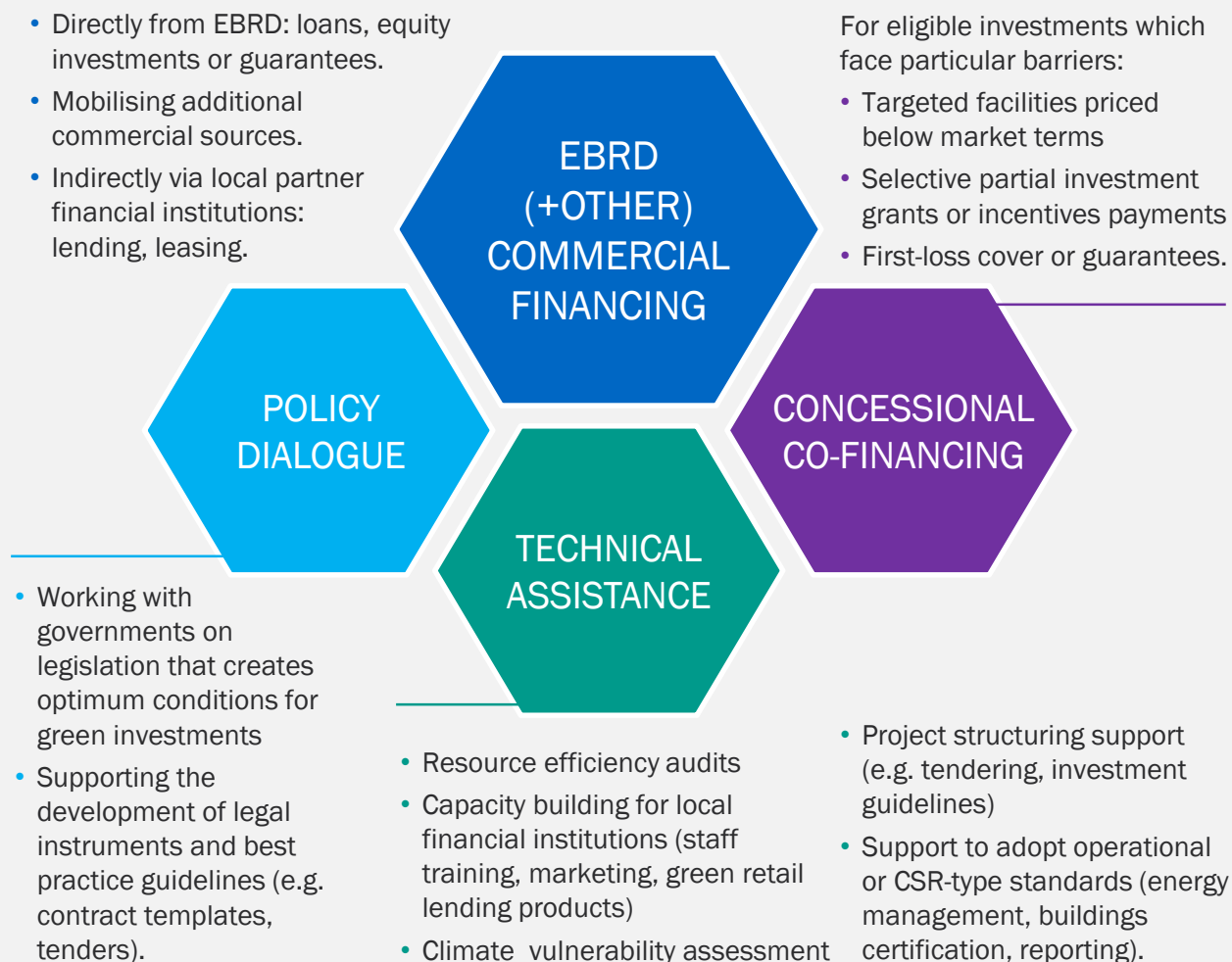
# Leveraging GCF Finance for Private Sector Finance – Experience from the EBRD

GCF Regional Workshop for Eastern Europe and Central Asia  
Tbilisi, 1 June 2017



**European Bank**  
for Reconstruction and Development

# Mainstreaming green financing: The EBRD business model



# Mainstreaming green financing:

## Examples of green business development tools

### RESOURCE AND ENERGY EFFICIENCY AUDITS

For clients who have resource efficiency potential, audits identify and recommend priority resource efficiency investments based on the financial return from input cost savings.

A special category are resilience assessments which look at climate change impact risks and mitigation measures.

### GREEN ECONOMY FINANCING FACILITIES

Credit lines to local partner banks for on-lending to small and mid-sized green projects, combined with technical assistance teams who help identify and assess investment opportunities, train up banks' staff, and develop marketing activities. Support may be complemented with incentive payments to end-borrowers.

### TECHNOLOGY TRANSFER AND INNOVATION SUPPORT

The FINTECC programme helps clients willing to invest in higher resource efficiency technologies with partial investment grants to overcome affordability and first-mover barriers.

A newly launched innovation vouchers scheme similarly helps R&D service providers.

### GREEN CITY ACTION PLANS & MUNICIPAL SUPPORT

GCAPs promote low-carbon urban development via integrated assessments of environmental gaps and of priorities for upgrading services and infrastructure. Investments are then supported with a mix of technical assistance (structuring and tendering support), financing (private, public) and concessional co-financing.

### BLENDING MULTILATERAL CLIMATE FUNDS

Partnering with multilateral providers of climate finance to structure financing packages on terms matching the risk and market maturity profiles of green projects. Such examples include integrated programmes to accelerate renewable energy rollout in early-stage markets via policy dialogue, commercial financing and soft loans.

### POLICY DIALOGUE

Working with governments and authorities to strengthen the institutional and regulatory context and create optimum conditions for green development. Examples include sector-specific low-carbon pathways: through dialogue with both the government and the private sector, an industry-wide technology upgradation plan is agreed and then supported.

# Intermediate channel for Financing: Green Economy Financing Facilities (GEFFs)

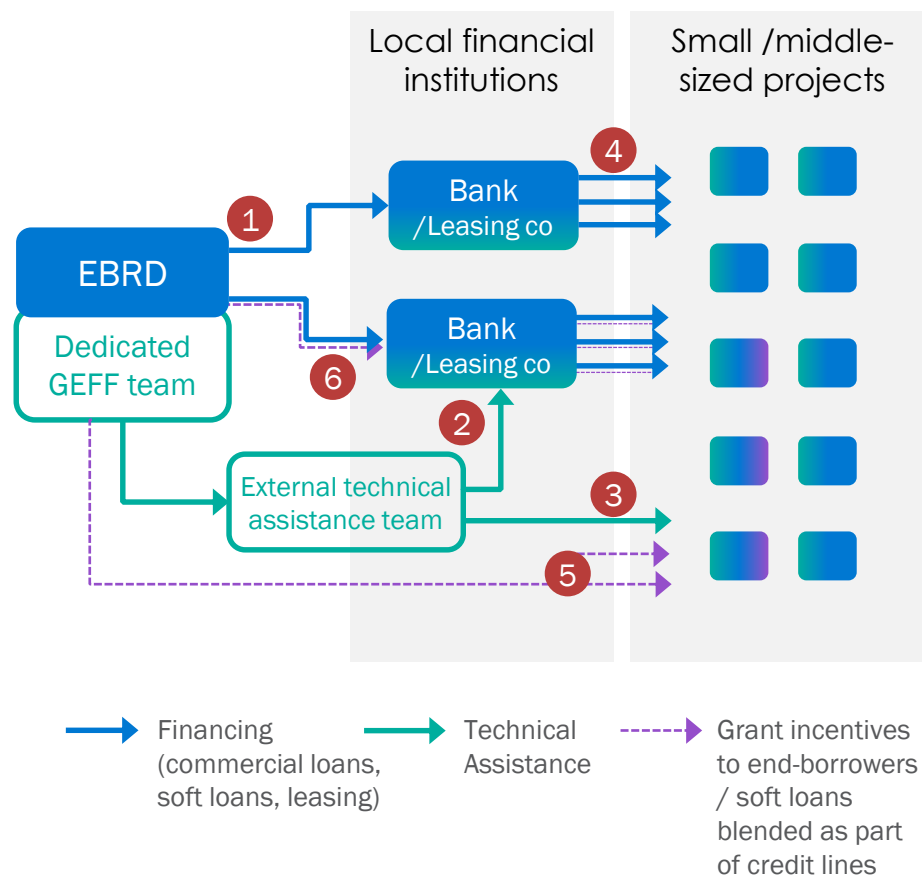
Through GEFFs, the EBRD offers credit lines to local partner financial institutions (PFIs) to finance small and mid-sized green projects.

Working via Partner Financial Institutions:

- Enables outreach to many small and medium-sized green opportunities
- Develops durable local financing markets by raising the capacity of PFIs to recognise green opportunities in the long-term.

GEFFs bring together:

- Credit lines to PFIs to be channelled to end-borrowers
- PFI capacity raising: training staff to recognise green opportunities, enhanced marketing outreach, targeted green financing products
- Project development support: direct assessment of larger-scale opportunities; online databases of pre-approved technologies for small-scale projects
- Incentive payments to end-borrowers /blended soft loans, aimed at addressing first-mover and affordability barriers (grant intensity is relatively low).



# Direct financing: Egypt Renewable energy financing framework



**18.9  
million  
TONNES of CO<sub>2</sub>**  
avoided over the  
lifetime

**1,400  
GWh**  
expected annual  
electricity generation

<b>Total Project Volume</b>	USD 1,007 million	
<b>GCF Finance</b>	USD 155 million	15%
<b>EBRD Finance</b>	USD 352 million	35%
<b>Other lenders</b>	USD 500 million	50%

Supporting Egypt in financing solar and wind energy to meet its target of 20% renewable energy generation by 2022, through two complementary components:

(1)

## CREATE AN ENABLING ENVIRONMENT FOR RENEWABLE ENERGY

- Enhancing planning and integration of RE electricity into the existing grid
- Building capacity for administering RE tenders
- Promoting gender equality of employment in energy sector

(2)

## SCALING UP RENEWABLE ENERGY INVESTMENTS

- Supporting 8-12 projects
- Resulting in 600 MW installed capacity

# Contacts



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