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GCF in Green Banking

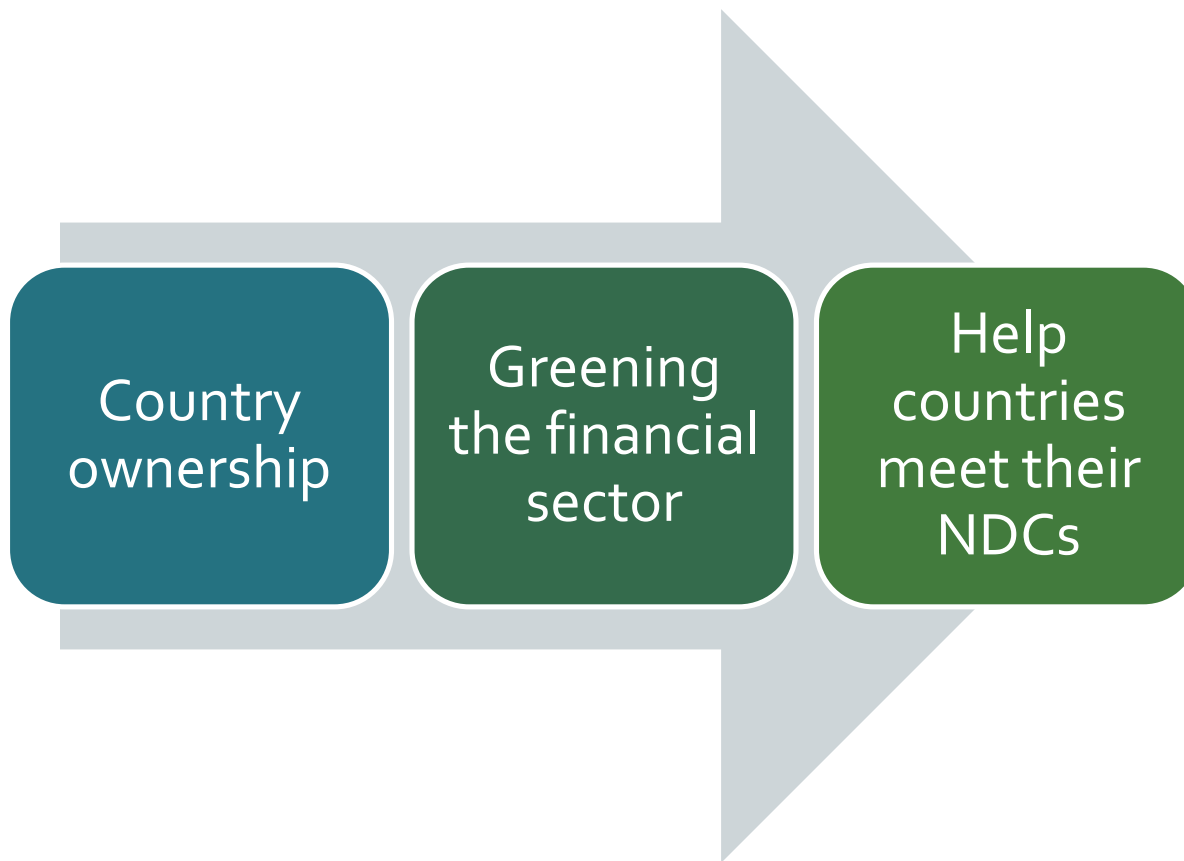
Leo Park

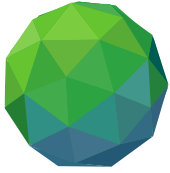
Financial Institutions Specialist, Private Sector Facility

April 2017 | Bali, Indonesia



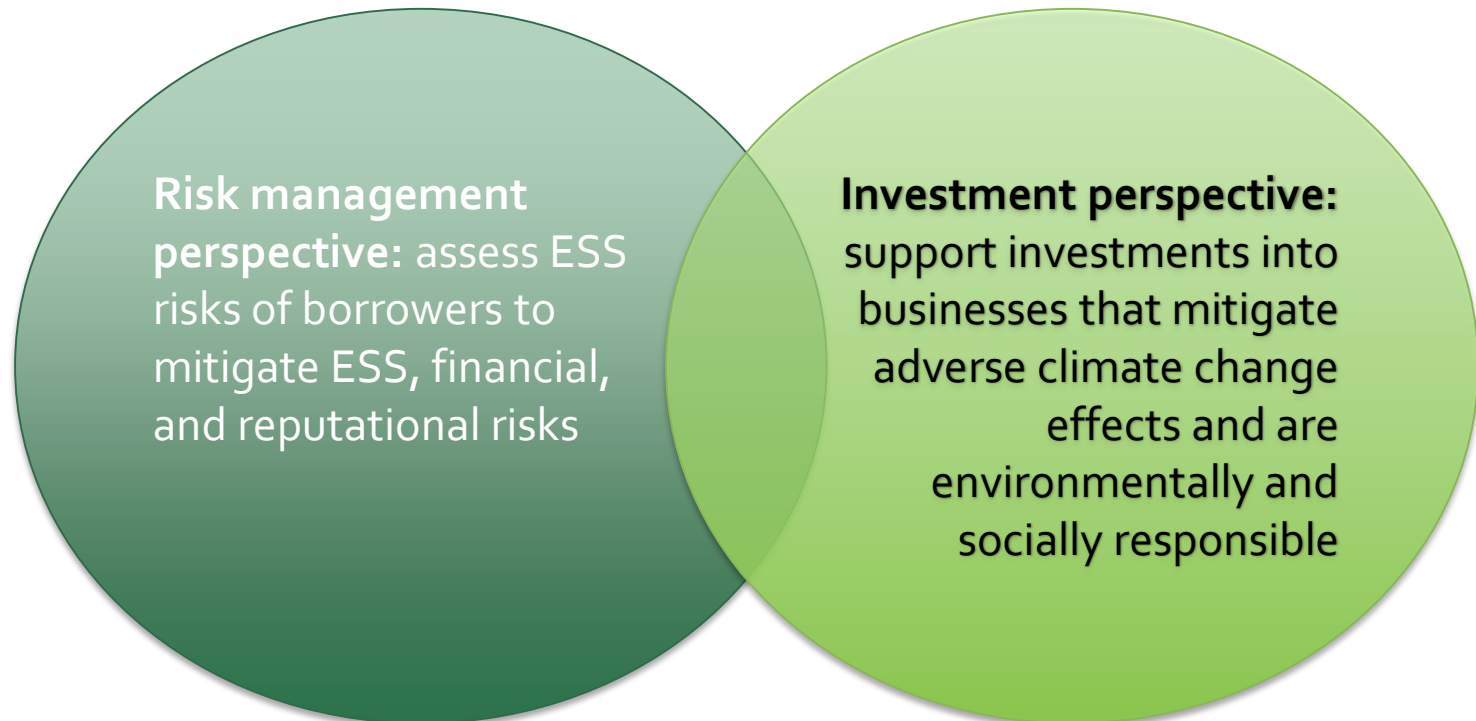
Green Banks: Ultimate Goal

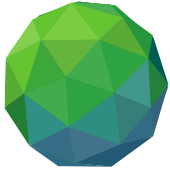




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Green/Sustainable Banking: Context





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Potential Interventions in Green Banking

Accreditation

- Banks naturally become greener and more sustainable by going through GCF accreditation process

Readiness Programme

- Promote country-level green banking initiatives across multiple developing countries and share knowledge (e.g. Mongolia, China, Nigeria, Colombia)

Debt

- Green credit lines and green bonds which can be used exclusively for green projects

Equity

- Equity investment in green banks and MFIs

Grant

- Technical assistance for capacity building of banks, ESS/gender mainstreaming, etc.



Three-Phased Approach

Phase 1 Green lending programme

- Extend green credit lines to existing commercial banks to finance mitigation projects
- e.g. XacBank's business loan programme for GHG emissions reduction, EBRD's SEFF programme

Phase 2 Risk sharing programme

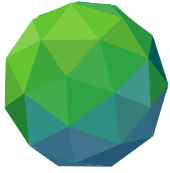
- Set up a risk sharing platform with local FIs
- e.g. DB Universal Green Energy Access Programme

Phase 3 Establishing green banks

- Set up brand new green banks, convert existing institutions into green banks and/or transform MFIs into fully-fledged green banks e.g. Green Investment Bank in the U.K., XacBank in Mongolia

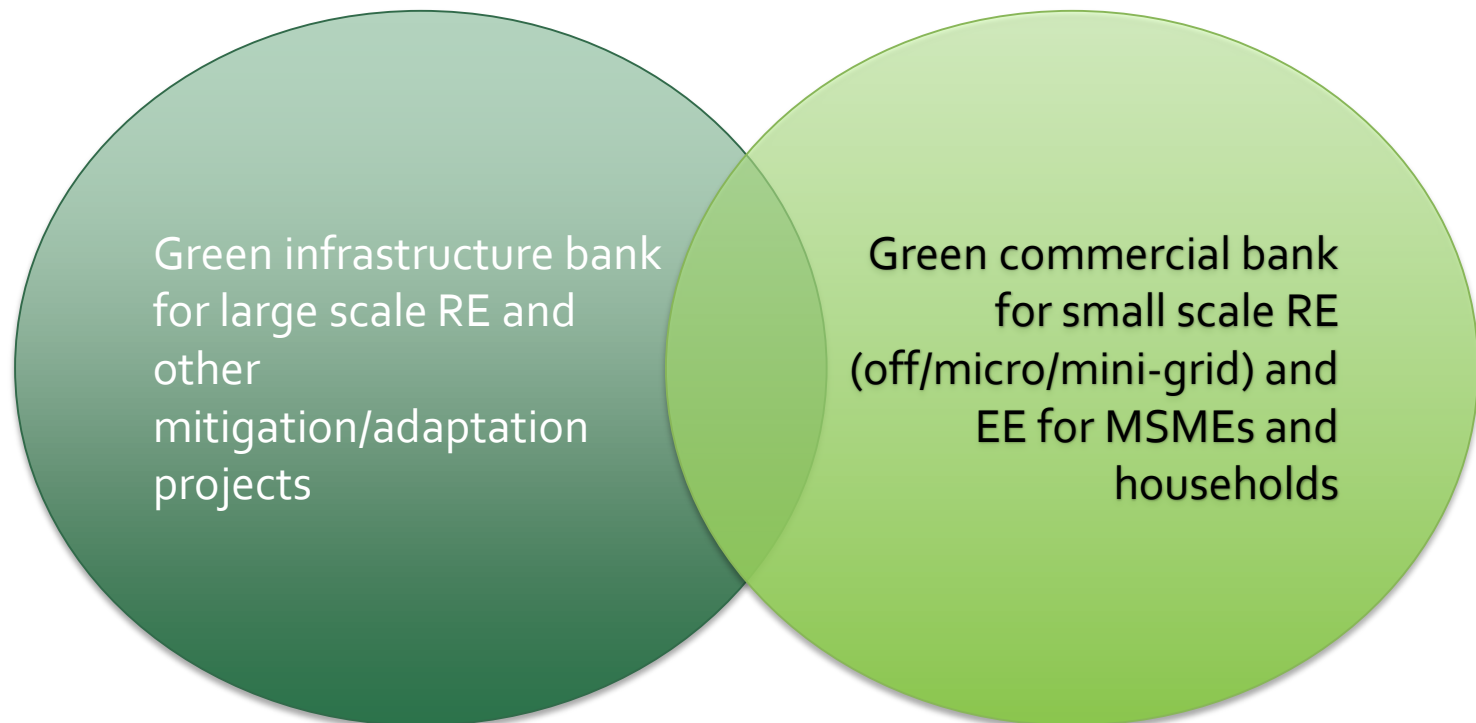
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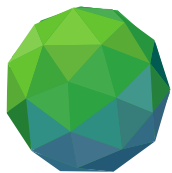
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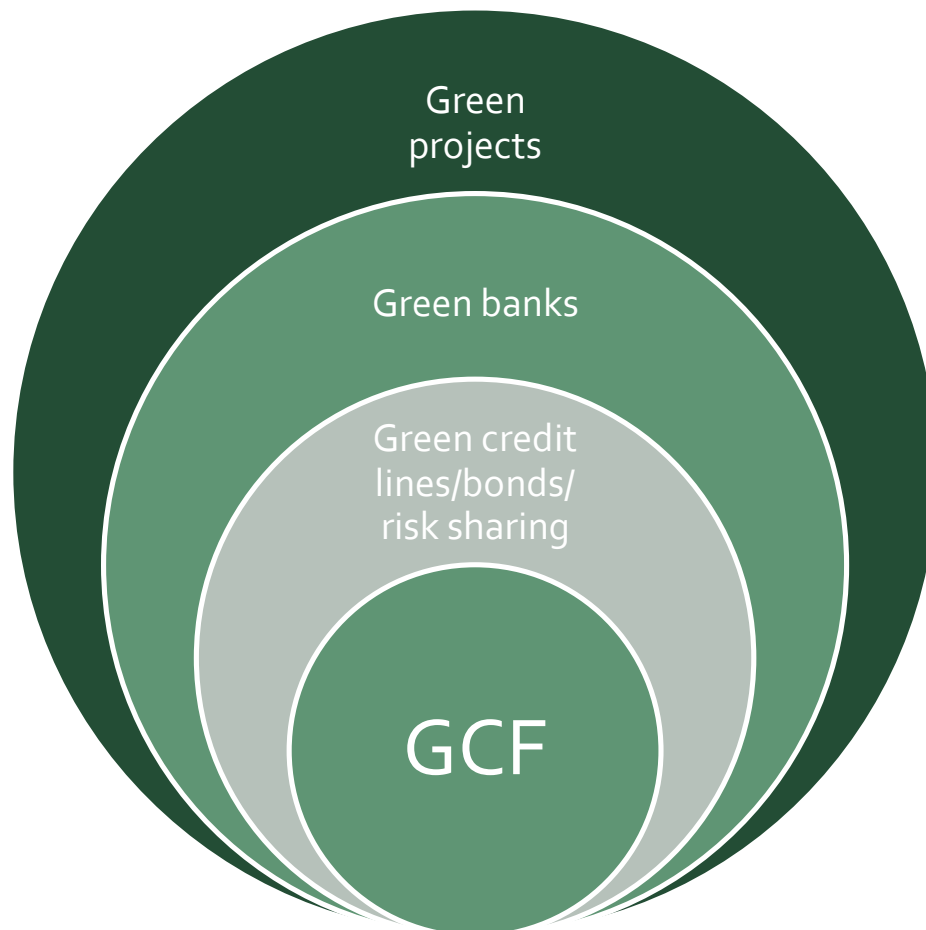
Green Banks: Two Models





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Green Ripple Effect





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