

GEF clean energy investments in ECA



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GCF Structured Dialogue with Eastern Europe and Central
Asia, September 11, 2018

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GEF's Unique Position in Clean Energy Finance

- A financial mechanism for multiple UN conventions
- Largest organization with grant investments for multiple focal areas
- Working with national governments to facilitate policy reform, institution development and capacity building
- Proven record in catalyzing private investments that benefit the global environment
- Innovative integrated program across thematic sectors, focal areas, regions and countries

GEF's Portfolio of CC Focal Area Finance

	Number of Projects	GEF CCM investment (\$ million)	Co-finance (\$ million)	CO2 Reduction (million ton)
Pilot Phase (1991-1994)	36	232	2,347	88
GEF - 1 (1994-1998)	136	366	1,369	439
GEF - 2 (1998-2002)	200	620	4,181	578
GEF - 3 (2002-2006)	149	790	4,326	1,447
GEF - 4 (2006-2010)	211	841	8,339	1,945
GEF - 5 (2010-2014)	313	1,153	14,444	9,520
GEF - 6 (2014-2018)	317	775	14,829	1,473
Total	1,362	4,776	49,835	15,491

On-going GEF ECA Clean Energy Projects

Number	Title	GEF Grant	Co-finance
1	The Global Fuel Economy Initiative	1.7	13.5
2	En.Lighten: Global Market Transformation for Efficient Lighting	5.0	15.0
3	Establishing the Foundations of a Partnership to Accelerate the Global Market Transformation for Efficient Appliances and Equipment (United for Efficiency)	1.4	8.0
4	The International Lighting Efficiency Facility (iLEF)	1.2	50.3
5	Scaling up the SE4ALL Building Efficiency Accelerator (BEA)	2.2	10.3
6	Increasing Investments in District Energy Systems in Cities - a SE4All Energy Efficiency Accelerator	2.2	9.1
7	The Climate Finance Aggregation Initiative for Developing Countries	2.2	53.1
8	Global Industrial Energy Efficiency Accelerator	2.2	6.8
9	The SEforALL Building Efficiency Accelerator (BEA): Expanding Local Action and Driving National Change	2.2	8.1

Key message: Moderate GEF grant resources (set –asides) can catalyze large projects/programs

Current Approaches to Clean Energy Finance in ECA

Detailed analysis of barriers

Policy, Technology, Standards and codes, Finance, Capacity and institution

Workshops to brainstorm strategies to overcome each of the barriers

Policy makers, Local and internal finance institutions; Local EE and RE technology developers; Local renewable energy service companies; NGOs.

Finance Group Seminars

Understanding concerns of private investors: government long term policy, high rate of interest, etc.

Strategies to overcome the concerns / barriers: new government policy, blended financing mechanism to reduce rate of interest; de-risking, etc.

Key messages: Remove barriers for private sector involvement

Example 1: GEF/UNDP Project in Armenia: Improving Energy Efficiency of Municipal Heating and Hot Water Supply

Project information at PIF:

- GEF \$: 3.16 million
- Co-financing: 8.87 million
- Implementation: 2005- 2014
- Target to reduce 9.6 million t CO₂eq



Project Achievements:

- Mobilized US\$ 16.4 million;
- 24 pilot EE projects developed;
- 5,000 citizens accessed central heating and 2,400 accessed hot water;
- 890,000 t CO₂eq reductions



Example 2: GEF/WB/Turkey SME Energy Efficiency Project

Background	The Project	Results	Remaining Challenges
<p>In 1990, no private sector participation in the energy sector</p> <p>Early 2000s: Enacted electricity market law, unbundling utility and establishing regulatory authority, passed gas law</p> <p>Mid 2000s: Enacted EE Law</p> <p>Late 2000s: Cost-based pricing and improved collections introduced, launched CTF-supported credit line for RE/EE</p>	<p>GEF approval date: 3/2013</p> <p>GEF funding: \$3,640,000</p> <p>Co-financing: \$302,250,000</p> <p>Targeted GHG reduction: 10 million t CO2</p>	<p>Adopted EE strategy (condition for Development Policy Loan 3), preparing innovative SME EE credit line to make use of EE screening tool, new models (e.g., ESCOs, leasing), GEF subordinated debt instruments to catalyze markets</p> <p>Share of private sector generation rose to 50%, blackouts decreased 50%</p>	<p>Strengthening of institutional framework for EE</p> <p>Expanding EE to public, residential sectors, sustainable cities</p>



Key messages: Remove barriers to the Private Sector

GEF-7 Climate Change Mitigation Directions

- Focus sustainable energy on:
 - De-centralized RE power with energy storage
 - Electric drive technologies and electric mobility
 - Accelerating energy efficiency adoption
 - Cleantech innovation
- Integrate with Impact Programs to generate more Global Environment Benefits in food, land, forests, and urban
- Help Countries to achieve goals of Nationally Determined Contributions and to build capacities
- Support Small Grant Programs

Key ECA countries for clean energy finance in GEF7

Country	CC-STAR (\$million)	BD-STAR (\$million)	LD-STAR (\$million)	Total (\$million)
Azerbaijan	5.06	2.00	3.42	10.48
Belarus	5.64	2.00	1.00	8.64
Kazakhstan	7.19	3.24	6.27	16.70
Turkey	7.25	4.53	3.59	15.37
Ukraine	10.01	2.00	3.39	15.40
Uzbekistan	10.94	2.00	5.34	18.28

GEF-7 Integrated Programming - Impact Programs

- Food Systems, Land Use and Restoration; Sustainable Forest Management
 - RE & EE technologies for food production chain
 - Integrated forest and land use sectors: renewable energy and energy efficiency solutions in support of climate change adaptation and mitigation
- Sustainable Cities
 - Supporting initiatives of zero carbon emission buildings
 - Energy efficient cooling and heating systems
 - Electric vehicles integrated to urban transport systems

Opportunities to Enhance Complementarity

- ✓ **GEF-GCF Dialogue on Coordinated Engagement (Vietnam, June 2018)**
Many valuable inputs received from countries
- ✓ **Examples to build on: Coordinated Programming**
Cook Islands, Bhutan, Ecuador
- ✓ **Opportunities in GEF-7**
Start of new programming cycle for the GEF Trust Fund
New Adaptation Strategy for the LDCF/SCCF
All Programming Strategies: Emphasis on Coordination
May be potential for ECA countries to blend CC-STAR resources with GCF investments
- ✓ **Upcoming Opportunities for Dialogue to Coordinate**
GEF-7 programming dialogues (NDIs) and workshops (ECW) to be held over coming months for GEF-7 portfolio;
UNFCCC COP

Actions to Enhance Complementarity

- ✓ Efforts to Harmonize: Adaptation Results Frameworks
GCF, Pilot Program for Climate Resilience (PPCR), Adaptation Fund (AF)
- ✓ Coordination across requests for NAP preparation support and Readiness (Enabling Activities)
Project review stage
- ✓ “Enhanced” Equitable Access of the LDCF
Up to \$10 million per LDC
- ✓ Greater emphasis on adaptation mainstreaming
Will enhance

We understand this is new, and there are challenges...

- ✓ *GEF and GCF stand ready to work with countries to overcome these*
- ✓ *Let us know what would be most useful*

LDCF/SCCF Strategy (2018 – 2022)

***Goal:** to strengthen resilience and reduce vulnerability to the adverse impacts of climate change in developing countries, and support their efforts to enhance adaptive capacity*

Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation



Mainstream climate change adaptation and resilience for systemic impact



Foster enabling conditions for effective and integrated climate change adaptation



THANK YOU!



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