

GEF Industrial Energy Efficiency Financing and GEF 7 Programing Directions



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Making Industrial Energy Efficiency the New Normal
Kiev Ukraine
13 November 2018

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GEF Approaches to Financing in Industrial Energy Efficiency

Break down analysis for barriers

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

Seminars to brainstorm strategies to overcome each of the barriers

Policy makers, Local and internal finance institutions; Local technology developers and providers; ESCOs, NGOs.

Finance Group Seminar for Example

Understand concerns of the private investors: government climate and environment policy, high rate of interest, etc.

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

Key messages: Remove barriers to the Private Sector

New Financial Mechanism for Industrial Energy Efficiency Financing: PPP

GEF/IFC CHUEE Phases I & II

- 2006, \$16.9 Mn GEF grant, \$200 Mn IFC loan for EE marketing, policy, de-risk, development and financing services
- By 2012, Four Chinese commercial banks significantly grown their energy efficiency financing portfolios for industry
- Leveraged \$800 Mn local bank loans for 170 plus EE/RE projects
- Mitigates over 19 million tCO₂/Yr, = total annual emissions of Mongolia, or 6% of GHG emission target of China for 11 Five –Year Plan

GEF/IFC CHUEE Phases III

- In 2018 on-going CHUEE Small and Medium Enterprise Program
- 230 loans with \$924 million for energy efficiency and renewable energy projects for SMEs
- Mobilizing \$2.3 billion in total investments and leading
- Reducing 22 million tons of carbon dioxide equivalent per year
- Saving 49 TWh of electricity per year



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 messages: Engaging Stakeholders beyond Energy Sector

GEF-7 Integrated Programming - Impact Programs

- Food Systems, Land Use and Restoration; Sustainable Forest Management
 - GEF financed RE & EE technologies for food production chain
 - GEF/WB Green Grate Wall Program 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



Key messages: In GEF 7, GEF projects and programs will be more completed. They need to be better pipelined.

GEF Sustainable Cities IP

- GEF aims to deliver transformational change through Impact Programs in key global systems for achieving Global Environmental Benefits.
- Sustainable Cities is one of the key global systems which are major drivers of environmental degradation.
- GEF's Sustainable Cities Impact program (SC IP) will directly contribute to GEF's climate change mitigation goals as cities consumes 75% of energy demand and contributes to 70% of global GHG emissions.
- The SC IP aims to take an integrated approach to support decarbonization of cities.
- SC IP will support evidence-based spatial planning and innovative sustainability solutions for key urban systems with focus on energy and resource efficiency across key urban infrastructure such as buildings, transport, housing and others.
- The program also aims to scale up climate change mitigation goals by emphasizing on strengthening urban governance and engaging with wider set of stakeholders such as the private sector and multilateral banks.



THANK YOU!



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