



UNIDO/GEF UKR IEE Project: «Introduction of Energy Management System Standard in Ukrainian Industry»

«FINANCIAL MECHANISMS FOR INDUSTRIAL ENERGY EFFICIENCY FINANCING: UNIDO/GEF UKR IEE LOAN GUARANTEE FUND CONCEPT»



9th INTERNATIONAL FORUM ON ENERGY FOR SUSTAINABLE DEVELOPMENT

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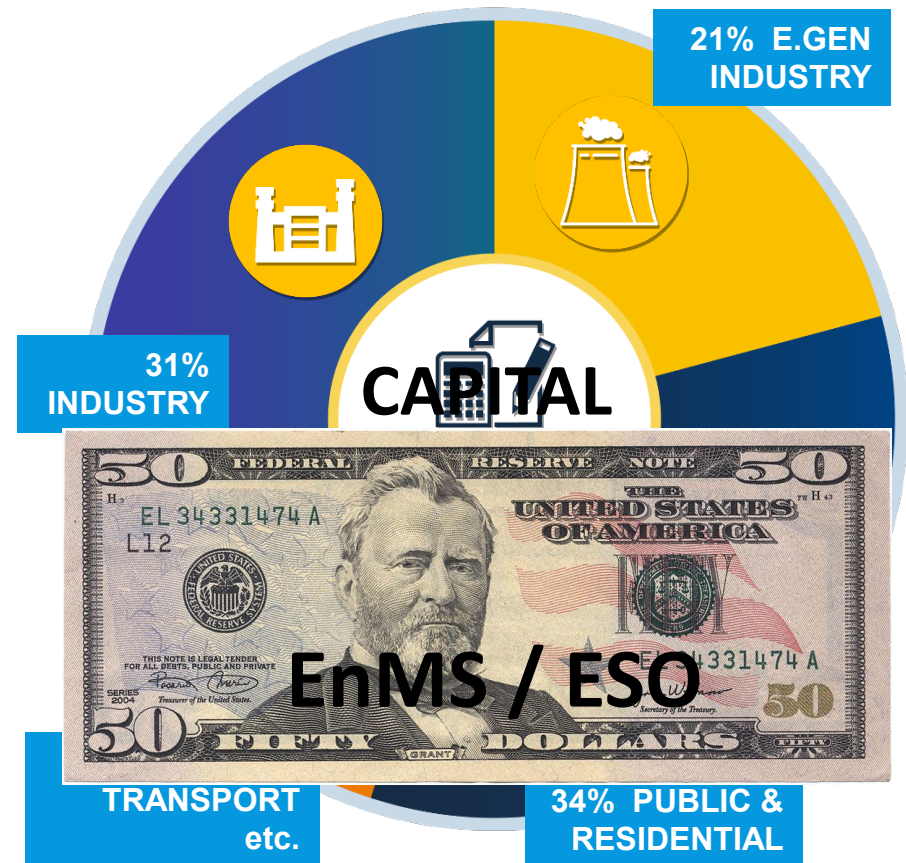
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Kyiv, Ukraine



WHY & HOW WE NEED TO FOCUS ON IEE FINANCING

- Potential for energy saving:
10 / 16.8 Mtoe*
(*est. at the beginning of the Project)
- We need participation of
PRIVATE SECTOR
- We need to know
1) where, 2) how,
3) at what cost
- ES can be achieved



GOING FORWARD WITH (NEW) FINANCING CONCEPTS

➤ Why **NOT** Grants?

➤ So WHAT NOW?

➤ Use of **GUARANTEES** in the form of Loan Guarantee Fund (LGF) or Revolving Fund

➤ To share risks

➤ To reduce impact of assessed risks on interest rate (cost of capital)

➤ To reduce requirement on Collateral for Loan

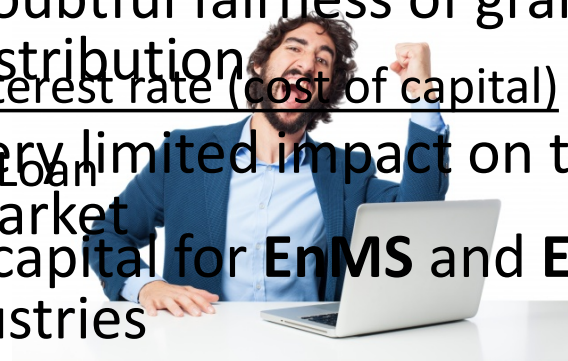
➤ Specific target: to provide access to capital for **EnMS** and **ESO**, and then other EE measures for Industries



➤ Doubtful business sustainability

➤ Doubtful fairness of grants distribution

➤ Very limited impact on the market

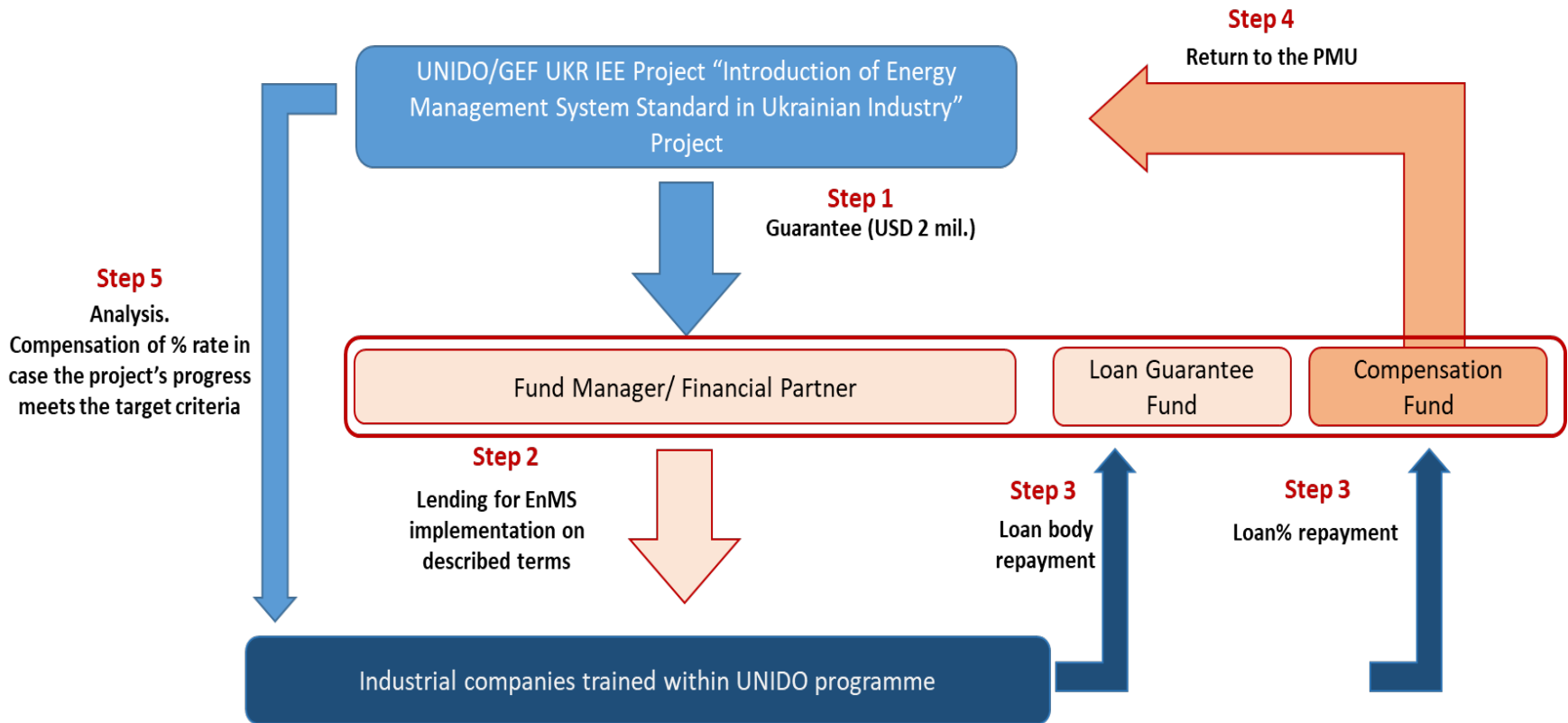




HOW THIS WILL WORK: TERMS

- **Target companies** – industrial enterprises that have completed training under the UNIDO UKR IEE Training Programme
- **Purpose for borrowing** – establishment of the EnMS (acc ISO 50001 standard), energy systems optimization, other IEE measures
- **Loan Currency** – (preliminary) UAH
- **Loan Size**– (preliminary) up to 150,000 USD eq.
- **Interest Rate** – market base
- **Loan tenure** – up to 1.5yr due to short payback period

LGF OPERATIONAL CYCLE (INITIAL STAGE)





THANK YOU

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