



# Sustainable Finance showcases outside EU

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# Sustainable finance – at global scale

## Policy framework

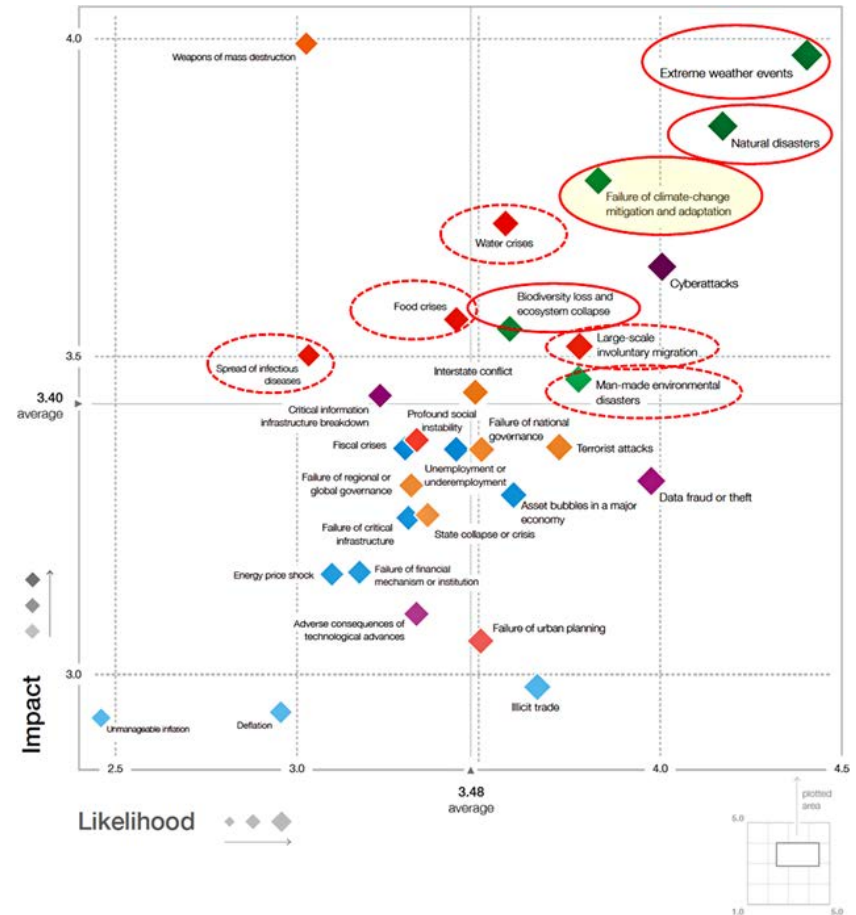
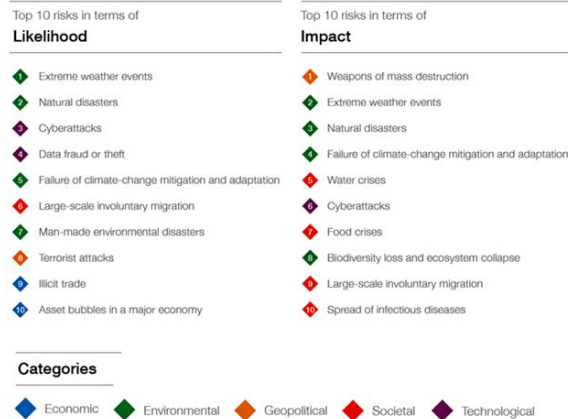
- ✓ SDGs - Re-orientation of financial flows into sustainable investments
- ✓ making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (Art. 2.1c PA)
- ✓ Importance of sources of finance (public / private – domestic / international) – support of (avoid to undermine) transition to (climate) resilient world

=> joint international efforts required



# Sustainable finance – at global scale

## Risks of natural hazards



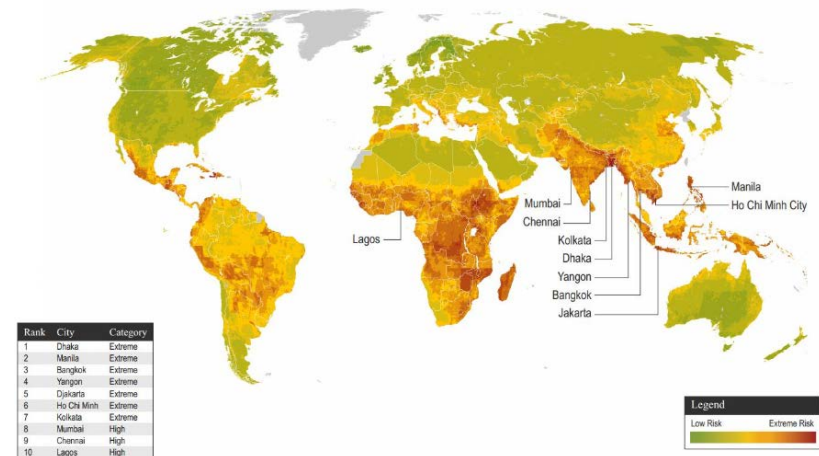
source: World Economic Forum

# Sustainable finance – at global scale

## Vulnerability

- ✓ High risk and high impact imposed by climate change / natural disasters
- ✓ Vulnerability / ability to adapt – high exposure of developing countries
- ✓ Need for sustainable investments to decouple economic growth from fossil fuel based economy (especially in emerging markets)

=> stress on economy, food security migration,..



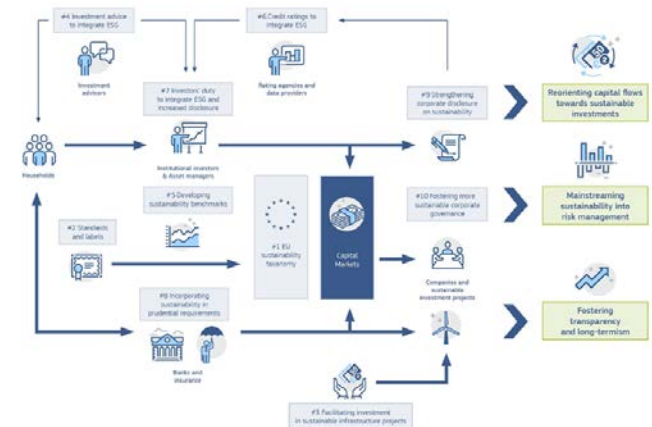
# Beyond European borders

## Role of EU

- ✓ EU taxonomy could be a model for other countries / adjusted to national and/or sectoral circumstances
- ✓ Proper safeguards / standards to harmonize financial systems –providing risk mitigation for potential investors – attracting finance in emerging markets.

### EU should foster:

- ✓ Policy dialogue / providing proper regulatory framework
- ✓ Building up capacity / showcase best practices
- ✓ Scaling up financial flows
- ✓ Attracting private finance



# Sustainable finance

## Scaling up financial flows

### Operationalising Green Energy Financing Facilities (GEFF)

- Enabling participating banks to enter market niche in energy / climate finance
  - Technology based lending
  - Cooperating with vendors / technology providers
  - Raising awareness through marketing campaigns
  - Evaluation through performance driven sustainable indicators
- Advisory services to local banks
  - Design of incentive based element
  - Definition of technical criteria (benchmarks) for eligible products
  - Promotion and advertising
  - Integrating commercial loans with technical assistance



- Facility to foster EE improvements in the Ukrainian residential sector;
- Projects consist of investments in high performing energy efficiency technologies in accordance with European energy efficiency standards;
- EBRD co-operates with Financial Institutions in Ukraine;
- Financing is accessible through loans from several participating local banks;
- Investments in eligible technologies can qualify for incentive payments of 35%;
- IQ energy is supported by incentive grants totaling 15 million EUR provided by E5P;
- Technical assistance grant for programme implementation provided by E5P and Sweden;
- Performance assessment on basis of energy savings and reduction of CO2 emissions.



# Sustainable finance

Standardisation / setting up technology standards

## Implementation of Technology Selector

- Ensuring technology improvements / sustainability targets
  - Scaling up resource efficiency
  - Tailoring technological standards to various markets (recognising differing market needs)
  - Simplified access to finance
  - Easily accessible by multiple businesses / households
  - Reduced transaction costs for all parties
  - Raising performance standards
  - Involving local networks of vendors / manufacturers
- Accelerating deployment of high performance standards
  - Promoting market advantages
  - Introducing adaptation technologies



**GEFF** Green Economy Financing Facility

➤ → Technology Selector is a key instrument for up-scaling GEFFs; ¶

➤ → Technology Selector is a shopping-style online tool to accelerate the delivery of climate finance; ¶

➤ → Consists of a list of available and eligible technologies meeting performance requirements / products for individual households, industries, buildings, transport; ¶

➤ → Criteria are matched with regional markets; ¶

➤ → EBRD runs technology catalogue and provides constant up-date ¶

➤ → Manufacturer register products / Vendors register their shops / User selects most suitable product ¶

**European Bank**  
for Reconstruction and Development

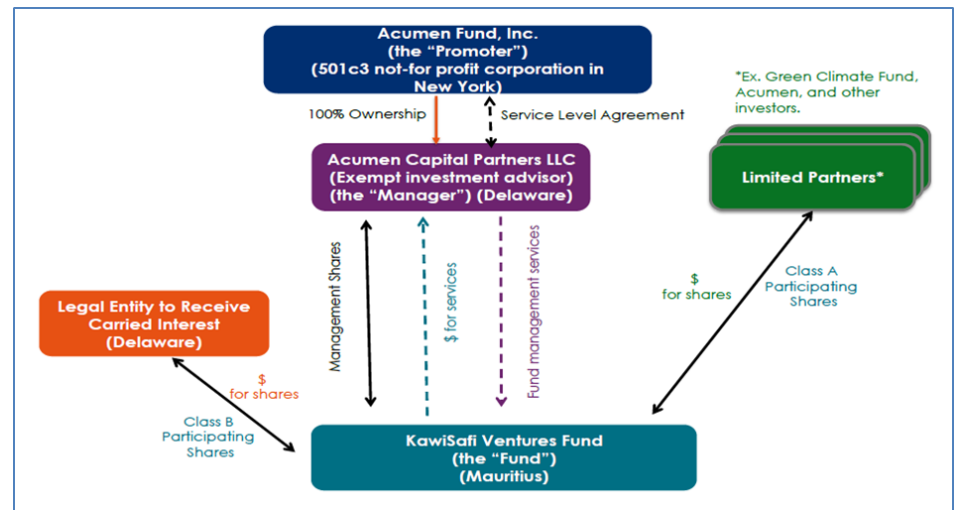


# Sustainable finance

## Impact investment

### KawiSafi Ventures Fund

- Impact Fund managed by **Acumen** (US NPO)
  - Targeted fund size USD 100 mln.
  - Green Climate Fund (GCF) as Anchor Investor providing USD 20 mln investment; USD 5 mln grant for technical assistance
  - Providing finance (equity / loans) to companies along the off-grid energy value chain to drive access to off-grid solar power in East Africa; 10-15 SMEs in Kenia und Ruanda
  - Local beneficiaries – up to 15 mln people
- Increasing private finance backed by public funding
- Business case - investment in local companies
- Impact measured through indicators



- ✓ Aligning financial flows with overall policy framework, especially Art. 2.1.c PA
- ✓ EU engaging in policy dialogue with suitable partner countries
- ✓ Promotion of green market opportunities – public finance attracting private engagement
- ✓ Need for adaptation finance – primarily in developing countries -> role of Development Banks
- ✓ Combining financial products with technical support element
- ✓ Integrating local banking sector and developing dedicated financial products
- ✓ Raising awareness & building capacities – support local markets recognising green financing opportunities



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