Green Economy Financing Facility

Introduction to GEFF Egypt
30 March 2021 | Energy Efficiency Platform for the Arab Region
GEFFs Business Models
Through GEFFs, the EBRD offers credit lines to local partner financial institutions (PFIs) to finance small and mid-sized green projects.

GEFFs bring together:
• **Credit lines** to be channelled to end-borrowers
• **Technical assistance**: support PFI staff to recognise green opportunities, enhanced marketing outreach, targeted green financing products
• **Project development support**: direct assessment of larger-scale opportunities; online databases of pre-approved technologies for small-scale projects

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**Project Lifecycle**
- **Origination**
- **Application**
- **Credit Assessment**
  - **Technical Assessment**
- **Disbursement**
- **Implementation**
- **Verification**
- **Incentive**
Eligible Sectors
private sector at large

AGRIBUSINESS
MANUFACTURING & SERVICES
LOGISTICS AND DISTRIBUTION
TOURISM
COMMERCIAL

Exclusions

>50% publicly owned or
Greenfield* investments/start up /venture capital
Working capital finance
Some activities such as gambling and tobacco
VAT
Purchase of Land
Replacement of production Lines >2x of existing capacity**
EBRD Environmental and Social Exclusion List

* Eligible Greenfield Investments: co-generation plants, energy efficiency activities in urban transport projects, production of components, equipment and infrastructure dedicated to energy efficiency and/or GHG reduction

** Could be approved on exceptional basis. Eligible amount to be calculated on pro-rata basis (No restriction for non-GEFF sub-projects)
## Eligible Sub-Projects

**GEFF Egypt**

### Renewable Energy

- **Technology Selector Loans**: USD300,000
- **Assisted Sub-loan**: USD5,000,000
- **Energy Service Company Loans**: USD5,000,000
- **Equipment Vendor & Producer & Service provider Loans**: USD1,000,000 to USD5,000,000

### Energy Efficiency

- **Technology Selector Loans**: USD300,000
- **Assisted Sub-loan**: 10% or 15% depending on efficiency
- **Energy Service Company Loans**: 10% or 15% depending on efficiency
- **Equipment Vendor & Producer & Service provider Loans**: Not Applicable

### Green Buildings

- **Technology Selector Loans**: USD300,000
- **Assisted Sub-loan**: 10% or 15% depending on efficiency
- **Energy Service Company Loans**: 10% or 15% depending on efficiency
- **Equipment Vendor & Producer & Service provider Loans**: Not Applicable

### GEFF Benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Renewable Energy</th>
<th>Energy Efficiency</th>
<th>Green Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Loan Amount</td>
<td>USD300,000</td>
<td>USD5,000,000</td>
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<tr>
<td>Investment Grant</td>
<td>10%</td>
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<td>Free Technical Assistance</td>
<td>Yes, to select equipment</td>
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- **Yes, to select equipment**
- **Yes, to select best solution, assess profitability, prepare loan application, make your idea bankable!**
March 2021
GEFF Egypt Impact Indicators

<table>
<thead>
<tr>
<th>Function</th>
<th>Achieved</th>
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<tbody>
<tr>
<td>Number of Loans Signed</td>
<td>82</td>
</tr>
<tr>
<td>Number of GEFF Beneficiaries</td>
<td>42</td>
</tr>
<tr>
<td>Primary Reduction in Energy Consumption</td>
<td>442 MWh p.a</td>
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<tr>
<td>Final Reduction in Energy Consumption</td>
<td>181 MWh p.a</td>
</tr>
<tr>
<td>Reduction in GHG Emission</td>
<td>159 ktCO2eq p.a</td>
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Lessons Learnt

• Green Economy is a relatively new concept for many dealing with SMEs;
  • Banks and Borrowers need technical support every step of the way.

• Donor Programs are not always well understood;
  • Simplify Value Proposition and explain it to all stakeholders regularly.

• Program Managers need to bridge the communication gap between stakeholders;
  • Talk technical information with the engineers, debt service and credit quality with the banks and cost efficiency and competitiveness with the borrowers.

• Create a network of “Green Economy” champions inside banks.

• COVID is affecting the growth of corporate loans worldwide;
  • Overfill your pipeline of projects. Many will get delayed or even get cancelled.
Thank You