GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET
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GEF support to scaling up Energy Efficiency

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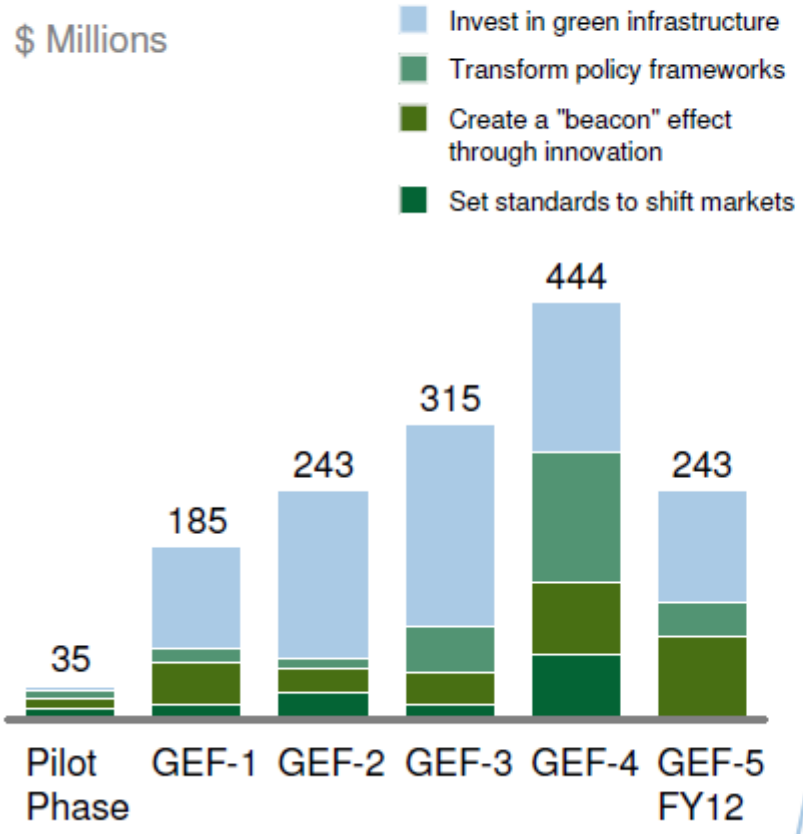
GEF scaling up models for Energy Efficiency

Energy efficiency program used several influencing models over time…

Energy efficiency programming by influencing model



…and shaped the global pursuit of energy efficiency around its work

- **Pioneered risk-sharing facilities with IFC** for energy efficiency that have led to firmly established business lines at IFC
- **Tested, reinvented, and evolved the Energy Service Company (ESCO) business models** to help rapidly growing countries meet needs for energy efficient public buildings and housing
- **Promoted energy efficiency policy frameworks in dozens of countries,** such as building codes, that enable local and national governments to predictably curtail growing energy consumption and address social housing needs
- **Accelerated introduction of compact fluorescent lighting** and supported global phase-out of inefficient lighting
- **Supported intellectual property licensing in China for the boiler sector,** yielding dozens of energy efficient designs for use by local manufacturers and rapid increase in energy efficiency for many industries

GEF leveraging private sector investments in energy efficiency

Case study of GEF/IFC CHUEE

- 2006, $16.9 Mn GEF grant, $200 Mn IFC loan for EE marketing, development and financing services
- 2012, leveraged about $800 Mn local bank loans for 170 plus EE/RE projects
- Now, mitigates over 19 million tCO_2/Yr, = total annual emissions of Mongolia
- CHUEE 3 is currently under implementation in China

THANK YOU!

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IFC Philippines Sustainable Energy Efficiency Finance Risk-Sharing Facility

- The GEF and IFC :
  - Collaboration on risk-sharing facilities since 1996
  - HEECP project in Hungary ⇨successful replication (>10 countries).
- As of 2011, IFC had launched
  - 15 sustainable energy finance programs
  - Attracted $1.4 billion in co-financing
  - The GEF was a partner in 11 of the projects.
  - This illustrates the catalytic impact of the GEF and its partner agencies.

In the Philippines,:

- 2007: GEF and IFC launched the Philippines sustainable energy Finance program in
  - Advisory services and investment product support (i.e., risk-sharing facilities) to local financial institutions
  - Aim: increase the amount of financing available for small-scale renewable energy and energy efficiency projects.

- 2009: First risk sharing facility Signed to support a clean energy portfolio of up to $46 million.
- 2012: Phase II expansion for a total facility size of $116 million.
  - Expansion under phase ii: allow to expand lending to new areas (green housing, low transportation)
- As of June 30, 2012: supported local bank in disbursing > $160 million clean energy projects

- GEF funding: $2.6 million
- IFC funding: $67 million.
- 2007-2011 (Phase I) 2012-2015 (Phase II)

Mexico High-Efficiency Lighting Projects (ILUMEX)

GEF funding $10 million

World Bank funding $13 million

1991-1997

Results: Strong utility engagement. 2.6 million CFLs sold. GHG reductions of 764 mt co eq over the lifetime of the lighting distribution.

- ILUMEX promoted efficient lighting through (i) bulk purchases of high-quality CFLs, (ii) sales in local utility service centers, (iii) low-interest financing, (iv) installment payment system on electricity bills, and (v) subsidized prices.
- Mexico's main public utility company, comisión Federal, initially implemented the project in urban Guadalajara and Monterrey, then scaled up the project for implementation in the states of Jalisco, nuevo león, and parts of Colima, Nayarit, Coahuila, and Tamaulipas.

- ILUMEX led to a bigger and broader GEF-5 effort with the World Bank (#4116, Lighting and Appliances Efficency Project) that used on-bill consumer financing for energy efficient lighting, air conditioners, and refrigerators
- After numerous succesful country lighting projects, GEF sponsored the en.lighten initiative.

En.lighten
Transitioning to energy-efficient lighting

$5M grant to support development of harmonized technology standards to speed the transition to efficient lighting in developing countries and emerging economies

Cofinancing: *3.0x*

UNEP

Created expert task forces of private sector, government, civil society and academia

PHILIPS OSRAM

Catalytic impact

- Global transition to efficient lighting could reduce CO_2 emissions by 1% - equivalent to **taking 61M cars off the road**
- Success with residential lighting has laid foundation for **expansion to commercial and street lighting**
- Market entry for high performance technologies, such as LED, is **benefiting from stakeholder expertise and policy development**

en.lighten