CLIMATE FINANCE ARCHITECTURE

Enhancing collaboration, seizing opportunities

Benedict Libanda, Chief Executive Officer

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OUR EXPERIENCES

- Micro, Small and Medium sized entities have a major role to contribute towards climate action, economic development, particularly in developing countries;
- Access to finance remains a key constraint due to scale and perceived risk associated with micro and small medium sized projects (low returns, high transaction costs, etc);
- Effective public sector interventions, especially in small economies is a catalyst to build Micro, Small and Medium capacity and avoid market distortion;
- Willingness of financial lending institutions to capture the SME Banking opportunities is still inadequate.



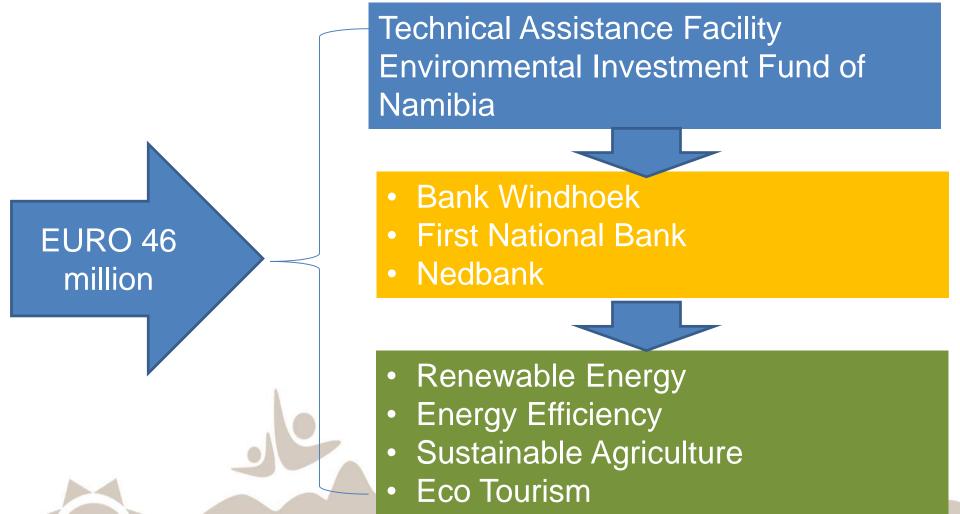
OPPORTUNITIES

- Legal, incentives and regulatory environment reform could drive competition and access to finance for Micro, Small and Medium;
 - Credit enhancement schemes can be highly effective, but subsidies should be well designed against market failure risks;
 - Government procurement should link Micro, Small and Medium into the finance supply chain including procurement;
 - Micro, Small and Medium capacity measures e.g. training should ideally be on a commercial/near-commercial basis and become scalable
- Strengthen financial infrastructure for venture capital and private equity access to the Micro, Small and Medium market



CASE STUDY 1: INTERNATIONAL CLIMATE FINANCE - SUNREF PROGRAMME

SUNREF (Sustainable Use of Natural Resources and Energy Finance) provides solutions for the new energy and environmental transition by helping private banks to seize its opportunities to finance climate related projects



CASE STUDY 2: DOMESTIC CLIMATE ACCESS - GREEN SOFT LOANS FOR SME

- Maximum loan amount US\$500,000
- Subsidized interest fee prime minus 4.25%
- Fifteen years repayment period
- US\$7 m
- Running for 3 years
- 482 micro loans (Solar water pumps (water), solar water heaters, solar lightning, agriculture, eco-tourism)





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