



Sustainable
Energy
Communities



Tool No: 4.3.2 How-to Guide

SEC-TOOLBOX

Tool Category no. 4.3 Guidelines on Project Development and External Requirements

Overview	
ID-number	4.3.2
Name	How-to Guide on Local Sources of Financing for Energy Efficiency
Date	October 2005
Type	Manual / Compendium
Language	English a.o.
Developer	UNDP - Europe and Commonwealth of Independent States
Contact Data	europeandcis.undp.org/?wspc=HowToGuide_EE_Financing

Description

The purpose of this 'How to Guide' is to help potential project developers understand energy efficiency financing, identify funding sources, and develop projects that can be co-financed by the Global Environmental Facility (GEF) or other investors. It is based on the hands-on experience and 'lessons learned' in the field of energy financing that the United Nations Development Programme (UNDP) has accumulated over the last decade while implementing its GEF-funded climate change portfolio in Eastern Europe and the CIS. UNDP experience in the region has shown that the process of structuring financing can cause serious delays in project implementation. On the other hand, even low-income countries in the region have used creative thinking to identify local sources of financing. The task of identifying financing is not impossible, and maximizing the potential for success is worth learning from others who have been through the process.

Local financing, as it is interpreted by the Global Environmental Facility is simply seen as financing for projects that comes from local markets and institutions or from public sources of financing.

The term local in this context can be interpreted to mean 'originating in the host country', although many of these financing products can also be found at the 'local' level in the sense that they are 'primarily serving the needs of a particular, limited district'.

The manual includes the following case studies:

- GEF Revolving Funds in Russia ..
- GEF Revolving Fund in Belarus Municipal ESCO in Ukraine
- Local and Bilateral Financing for Energy Efficiency in Kazakhstan
- Financing Energy Efficiency in Belarus
- Audit Fund in Hungary