Speed, Scale & Local Solutions: National Green Banks in Developing Nations

Coalition for Green Capital
SGG6
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Globally a $27 trillion clean energy investment gap must be filled in next 25 years

Sources: IEA World Energy Outlook, 2016, Table 2.4.
DFIs have committed to increase climate-related investments, but even with high leverage it isn’t enough

- DFIs have committed to increase size of climate investments post-Paris
- OECD analyzed these commitments in relation to $100 billion annual goal
- OECD calculations show pledges will result in $46 billion increase in annual investment (DFI + private)
- $46 billion of new annual investment only fills 4% of a trillion dollar annual gap

Sources: OECD, “2020 Projections of Climate Finance Towards the USD 100 Billion Goal; Technical Note,” 2016.
Projects must provide **high returns** and deliver **affordable energy** for local consumers.

Can’t just increase returns to private capital and expect the customers to pay more for energy.

- **Private Capital**
- **Coal Plant** Medium Return
- **Solar Project** *Low Return*
- **Solar Project** *High Return*
- **Affordable Power**
- **Expensive Power**
- **Electricity Customers**
Numerous gaps exist (wholesale/retail) in the capital supply chain that can be addressed with public capital.

How to get capital into the country at low-cost?

- Is there wholesale capital dedicated to supporting retail activity?
- Is there a robust retail ecosystem to support pipeline and demand generation?

Institutional Capital — Wholesale Lender — Retail Lending Activity — Large-Scale Projects — Small Distributed Projects

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Green Banks (new or adapted) use public dollars to build bridges, address scale, speed and nation-specific needs.

Reduce Risk & Implement Local Market Solutions

- Use public-purpose money to de-risk & leverage private capital
- Provide financing to underserved market sectors
- Are market-oriented and flexible
- Are steadfast in the face of changing political landscape
- Complement existing actors (DFI’s, IFC, EBRD, etc.), bridging barriers
- Foster a stronger enabling environment
Green Banks = Impact

![Green Bank Network Impact Chart]

- **Capital**
  - Total Invested or Committed by GBN: $7.9 billion
  - Total Value of Projects Supported: $25.9 billion
  - Overall Leverage Ratio: 2.25:1

- **Investments**
  - By Technology Type:
    - Renewable energy: 78.5%
    - Energy Efficiency: 18.8%
    - Other*: 2.7%

- **Results**
  - Annual CO2eq Emissions Avoided*: 12 million tonnes
  - Equivalent to taking 5.6 million cars off the road

*Including Low Emissions Vehicles, CHP, and energy storage.

*GBN members do not claim that this abatement occurs independently of complementary policies.

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Thank You

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