

Early Warning System

GCF-FP009

Energy Savings Insurance for private energy efficiency investments by Small and Medium-Sized Enterpr

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Quick Facts

Countries	El Salvador
Financial Institutions	Green Climate Fund (GCF)
Bank Risk Rating	A
Voting Date	2016-06-15
Borrower	BANDESAL
Sectors	Climate and Environment, Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 21.70 million
Project Cost (USD)	$ 41.70 million

Project Description

From the GCF:

This project will focus on improving access to financing for SMEs in El Salvador to replace energy-intensive motors, air-conditioning, refrigeration and boilers, increasing energy efficiency and developing a new market in energy services.

The project will develop a package of measures to encourage energy efficiency investments by SMEs in El Salvador. El Salvadoran SMEs, making up over 99% of the country's enterprises, suffer from obsolete equipment, the result of low levels of investment, and limited access to long-term credit. There are no Energy Services Companies (ESCOs) and no market for financing longer-term energy efficiency projects, which are perceived as risky, unstructured investments. The energy savings insurance scheme developed will include risk-sharing contracts, independent technical validation, insurance and specific financial instruments, significantly lowering investment risks for banks and SMEs.

Investment Description

- Green Climate Fund (GCF)

GCF will loan USD 20M to BANDESAL (the National Development Bank of El Salvador), who will add USD 20M of their own resources. The GCF will also provide a grant of USD 1.7M to BANDESAL. This will contribute to a credit line available for local banks to fund SME energy efficiency projects at concessional rates, to be repaid through future energy savings. Loan repayments will finance additional sub-projects thanks to the use of a revolving fund. The equipment targeted for upgrade is widely used and has large energy savings potential.

Contact Information

ACCESS TO INFORMATION

Requests for project information may be submitted using the IDP Request for Information by email to: disclosure@gcfund.org.

You can also submit an information request using this online form: https://www.greenclimate.fund/about/disclosure/form. Additionally, if information requested is denied, an appeal can be filed to the Information Appeals Panel: iap@gcfund.org. You can learn more about the Information Appeals Panel at: https://www.greenclimate.fund/about/disclosure/appeals.

ACCOUNTABILITY MECHANISM OF GREEN CLIMATE FUND

The Independent Redress Mechanism (IRM) addresses complaints by people who believe they are negatively affected or may be affected by projects or programmes funded by the Green Climate Fund (GCF). The complainant can raise issues related to any of GCF's policies and procedures, including those relating to social and environmental issues, indigenous peoples, gender, and information disclosure, among others. If you submit a complaint to the IRM, it may seek to address the issues raised by facilitating problem solving or conducting a compliance process. You can learn more about the Independent Redress Mechanism and how to file a complaint at https://irm.greenclimate.fund/.

You can access a video about the IRM (English) at: https://youtu.be/1LanbriVhfs.

A brochure about the IRM can be accessed in English, French, Spanish, Portuguese, Arabic, Mandarin, Mongolian, Vietnamese, Russian, Ukrainian, Korean, German, and Kiswahili at: https://irm.greenclimate.fund/.

Bank Documents

- Funding proposal [Original Source]
- Gender assessment [Original Source]