



Purpose of Loan Guarantee Fund for Energy Efficiency in Industry – Achievements and Perspectives

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UNIDO *at a glance*

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

UNIDO's mission is to promote and accelerate [inclusive and sustainable industrial development](#) (ISID) in developing countries and economies in transition

UNIDO programmatic focus is structured in four strategic priorities:



Creating shared
prosperity



Advancing economic
competitiveness



Safeguarding the
environment



Strengthening knowledge
and institutions

Sustainable Energy and Low-Carbon Thematic Priorities

Energy Systems, Technologies and Infrastructure

Supply side through promoting RE and demand side through IEE

1. Policies and standards

- EE standards & technical regulations
- De-risking investments for EE & RE in industry

2. Energy in Industry

- EnMS & ESO
- RE applications in Industry
- Digital technologies
- Greening of supply chains

3. Energy for Industrialization

- Industrial parks & utilities
- Mini-grids for product. uses
- E-mobility

Climate Technology and Innovation

Entrepreneurship for value chain of eco-system innovation

1. Innovation, Entrepreneurship, and Business Acceleration

- Global Cleantech Innovation Programme

2. Technology Transfer – Demonstration, Deployment and Localization

- Low-Carbon Emission Technology transfer

3. Access to Finance

- Private Financing Advisory Network

4. Ecosystem and markets development

Climate Policy and Partnerships

Strategic positioning in global energy & climate change forums

1. Global Networks and Partnerships

- Climate Technology Centers Network (UNE-UNIDO)
- Global Network of Sustainable Energy Centers

2. Energy and Climate Change Fora

- UNFCCC / COP
- Vienna Energy Forum

3. Nexus and knowledge management

- Energy-Water-Food



UNIDO Industrial Energy Efficiency (IEE) Programme (2010-2020)



Operational in 27 countries
Planned activities in 10+ countries

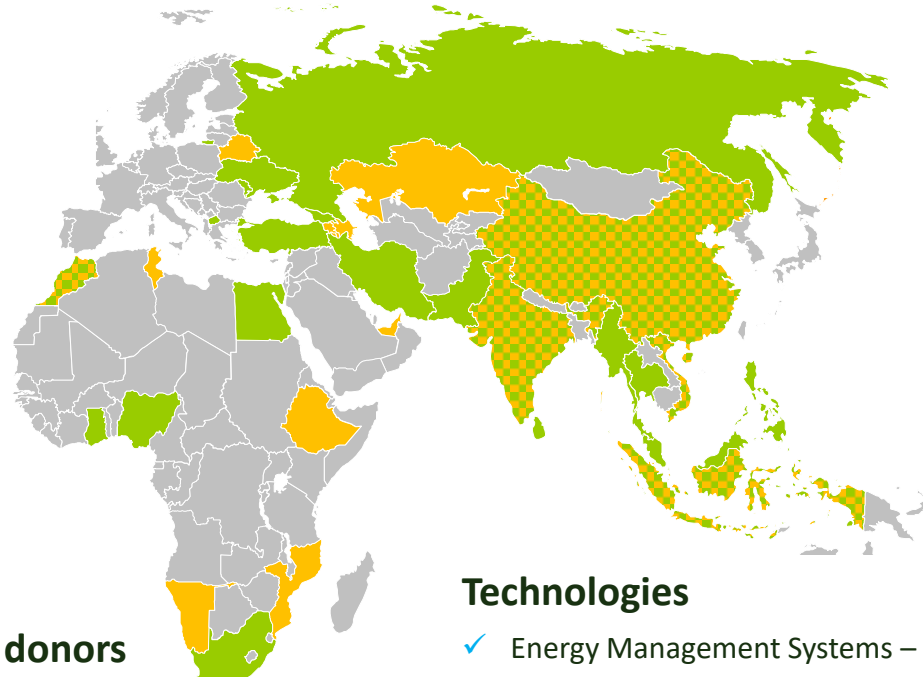
Projects

- | | |
|--------------|-----------------|
| South Africa | China |
| Moldova | Brazil |
| Russia | Myanmar |
| Turkey | India |
| Ecuador | Georgia |
| Malaysia | North Macedonia |
| Thailand | Mexico |
| Viet Nam | Pakistan |
| Philippines | Morocco |
| Indonesia | Cuba |
| Egypt | Nigeria |
| Iran | Sri Lanka* |
| Ukraine | Ghana* |
| Colombia | |

Discussing activities

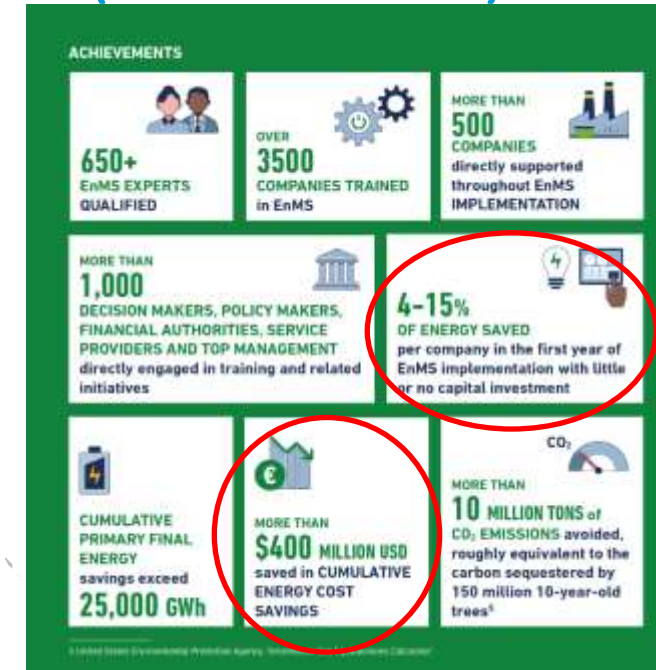
Other donors

- ✓ Government of South Africa
- ✓ Swiss Secretariat for Economic Affairs
- ✓ UK Dept. for Internat. Development
- ✓ Government of Italy
- ✓ Government of Austria
- ✓ European Union
- ✓ Green Climate Fund



Technologies

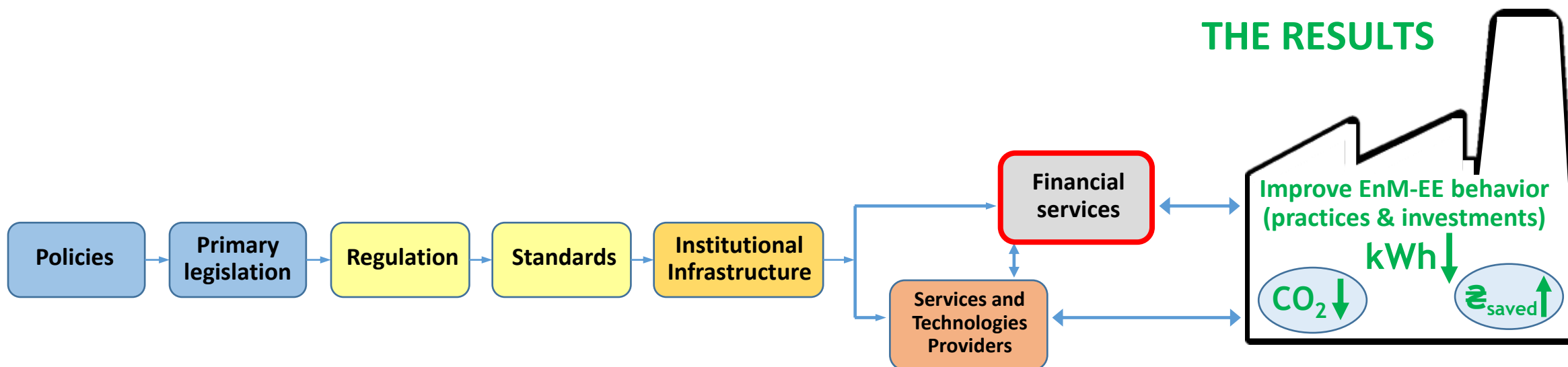
- ✓ Energy Management Systems – ISO 50001
- ✓ Industrial Steam Systems
- ✓ Industrial Compressed-air Systems
- ✓ Industrial Fan and Pump Systems
- ✓ Other Industrial Motor-driven Systems
- ✓ Industrial Refrigeration Systems
- ✓ Sector specific EE technologies



Why developing a Loan Guarantee Fund for EnMS-IEE

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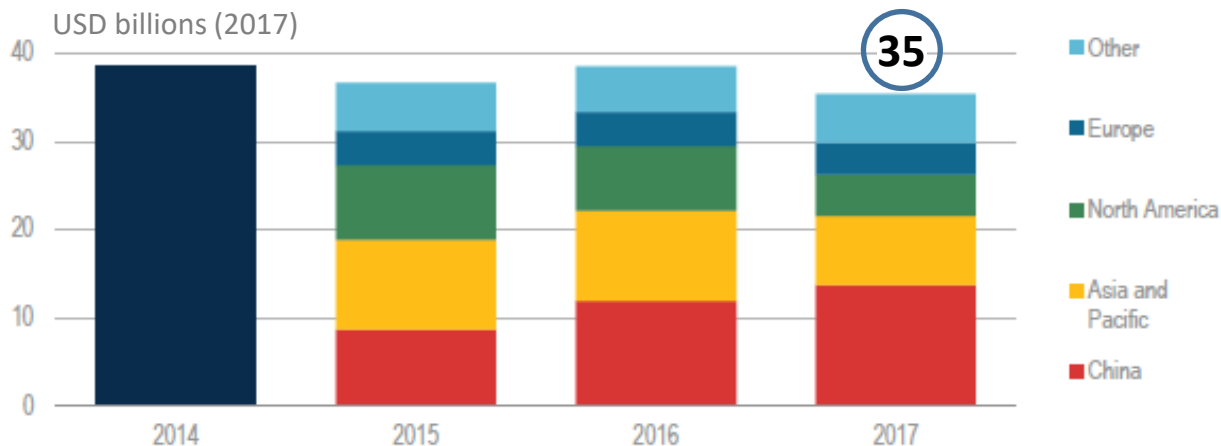
Supply & value chain for Energy Management System and Energy Efficiency in Industry



Why developing a Loan Guarantee Fund for EnMS-IEE

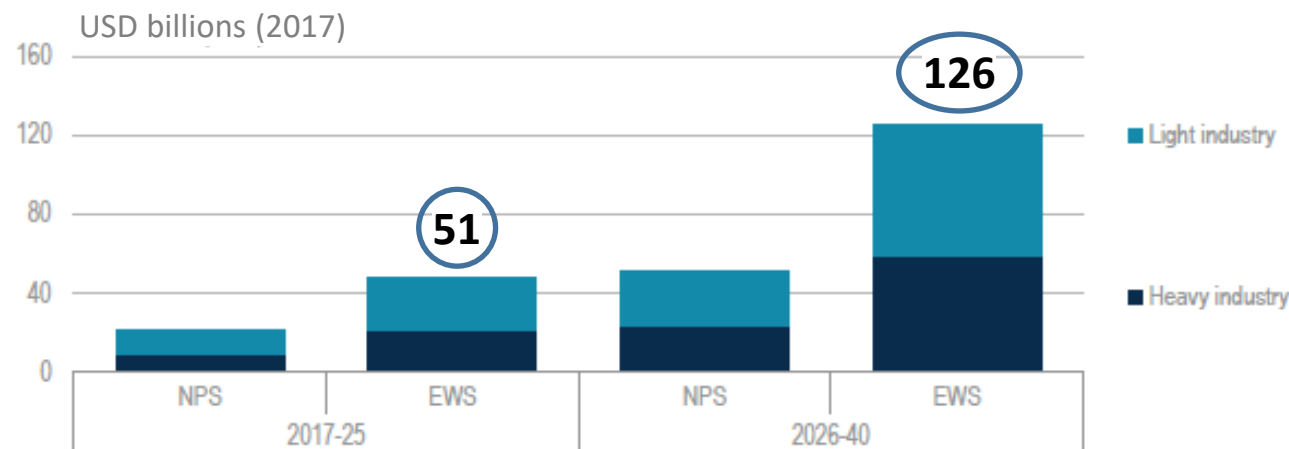
WE NEED TO ACCELERATE and SCALE UP INVESTMENTS FOR IEE

Global investments in industrial energy efficiency, 2014-2017



Source: IEA 2018

Average annual industrial energy efficiency investments in the NPS and EWS, 2017-2040



Source: IEA 2018

NPS = New Policy Scenario

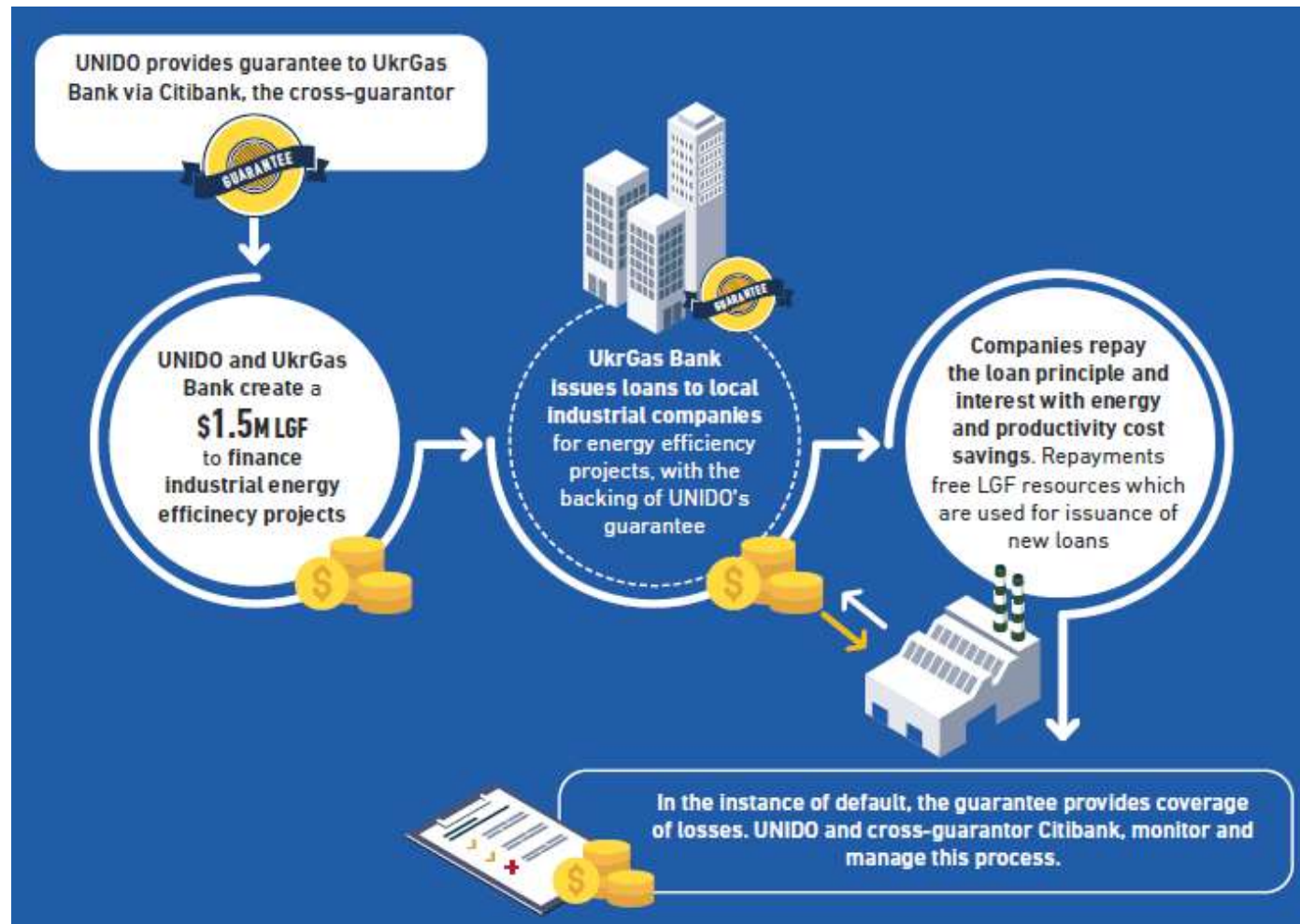
EWS = Efficient World Scenario

Why developing a Loan Guarantee Fund for EnMS-IEE

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- i. Promote industrial EE financial instruments new in Ukraine
- ii. Strengthening expertise and building practical experience of Ukrainian financial and services sectors with specific IEE investments/technologies
- iii. Increase access of industrial enterprises to financing for IEE and at more favorable terms and conditions
- iv. Further support EnMS-ISO 50001 market creation and transformation of the overall market for IEE

Mechanism for loan guarantee fund for investments in EnMS-IEE



Expectations and objectives for the near future

- ✓ To see an increase in lending for industrial energy efficiency
- ✓ To see more guarantee schemes used and tailored for energy efficiency and resource efficiency investments in industry
- ✓ To see an increase in industrial enterprises borrowing for industrial energy efficiency

WHAT ABOUT COVID-19?

Government spending on renewable energy & energy efficiency has been shown to create more jobs than spending on fossil fuels.

Jobs created, directly and indirectly,¹ per \$10 million in investment

Renewable technologies
(wind, solar, bioenergy, geothermal, hydro)



75 jobs

Energy efficiency
(industrial energy efficiency, smart grid, mass transit)



77 jobs

27 jobs

Fully integrate energy efficiency in your production and business recovery strategy!

Source: McKinsey

Source: UNIDO

Policy that should be implemented

	1	2	3	4	5
And	Reduce tax rates or defer tax (76%)	Reduce rent and lower utilities costs (63%)	Reduce financing costs or improve loan terms (20%)	Optimize exporting tax rebate services (10%)	Temporary reduction of social benefits (7%)
	Reduce tax rates or defer tax (5%)	Reduce rent and lower utilities costs (32%)	Reduce financing costs or improve loan terms (20%)	Optimize exporting tax rebate services (13%)	Temporary reduction of social benefits (9%)
	Reduce tax rates or defer tax (58%)	Reduce rent and lower utilities costs (45%)	Reduce financing costs or improve loan terms (29%)	Optimize exporting tax rebate services (24%)	Temporary reduction of social benefits (5%)
	Reduce tax rates or defer tax (52%)	Temporary reduction of social benefits (37%)	Reduce rent and lower utilities costs (33%)	Reduce financing costs or improve loan terms (28%)	Optimize exporting tax rebate services (7%)
Viet Nam	Reduce tax rates or defer tax (54%)	Reduce rent and lower utilities costs (41%)	Temporary reduction of social benefits (39%)	Reduce financing costs or improve loan terms (30%)	Optimize exporting tax rebate services (10%)



THANK YOU!

Visit UNIDO Open data platform &
website: <https://open.unido.org>
www.unido.org/energy

